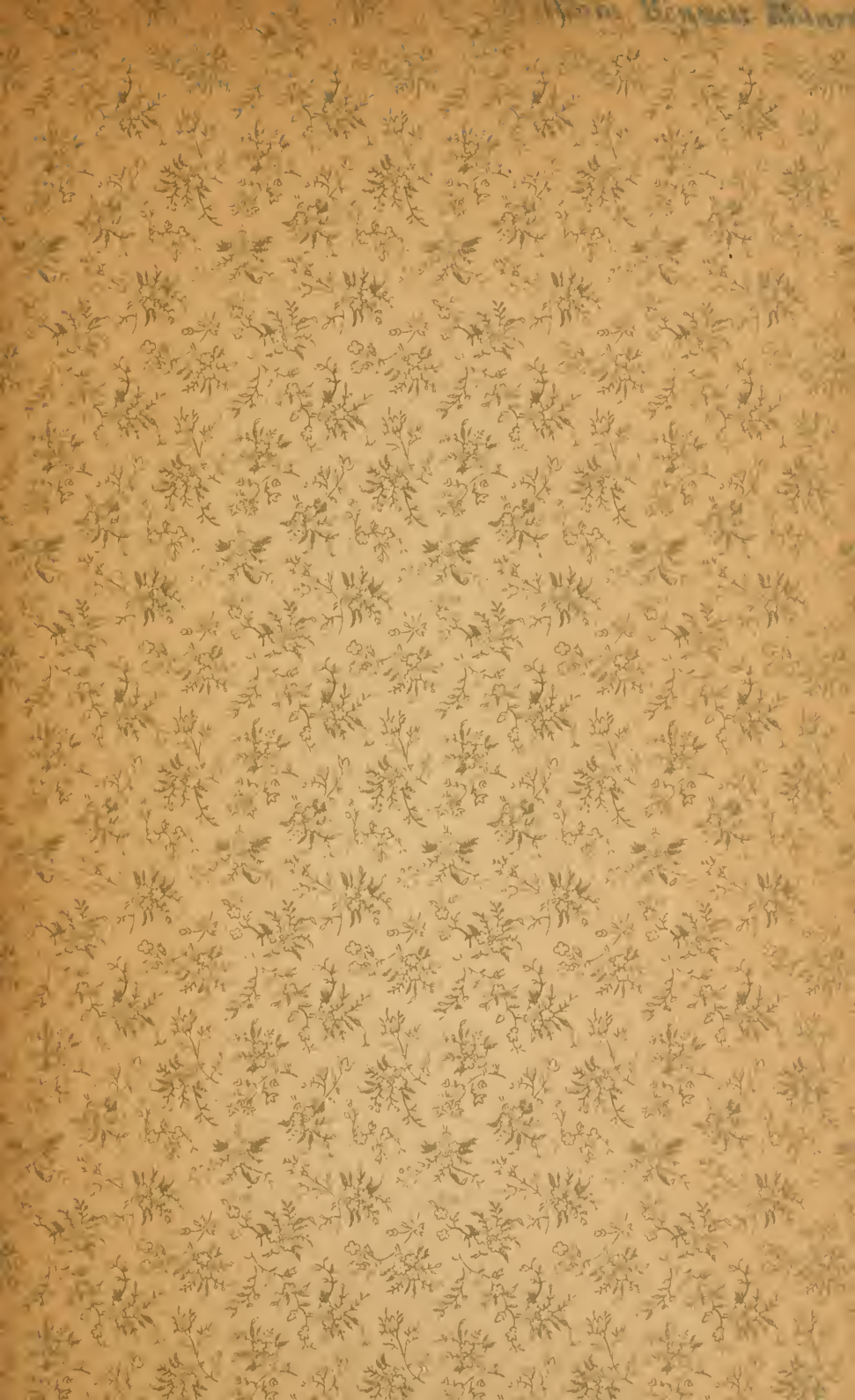




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A HISTORY OF

Two Reciprocity Treaties

THE TREATY WITH CANADA IN 1854
THE TREATY WITH THE HAWAIIAN
ISLANDS IN 1876

WITH A CHAPTER ON

THE TREATY-MAKING POWER OF THE
HOUSE OF REPRESENTATIVES

BY
CHALFANT ROBINSON, PH.D.

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On

GEORGE W. HAMILTON

PREFACE

There is a wide-spread and increasing interest in reciprocity as one solution of the problem presented by the tariff in its relation to trade. This general interest is offered as a reason for the publication of another book so soon after the appearance of *Reciprocity*, in which Professors Laughlin and Willis have given such a comprehensive treatment of the whole subject.

Eleven years ago, Dr. F. E. Haynes published an excellent article on "The Reciprocity Treaty of 1854 with Canada" in volume VII of the Publications of the American Economic Association, November, 1892. But in relation to Canada and to Hawaii, both of these publications are more or less limited in scope, and inasmuch as public questions of great importance are involved, and as these treaties present so many points of interest to the student of political and commercial history, no excuse seems necessary for considering them both in greater detail than has yet been done.

The Treaty with Canada in 1854, as it appears in this volume, was submitted to the Faculty of Yale University for the degree of Doctor of Philosophy, in June, 1902. The Hawaiian Treaty of 1876 was practically finished when *Reciprocity* appeared, and a projected chapter on Cuba was laid aside because that work had already covered the Cuban Treaty.

The writer wishes to express his gratitude for many valuable suggestions to Professor Edward G. Bourne of Yale University, and for courtesies in the use of the library to Professor Addison Van Name, Yale University, to the Officers of the Library of Harvard University, and to Dr. Roland P. Falkner, Chief of the Documents Department in the Congressional Library.

YALE UNIVERSITY,
NEW HAVEN, November 16, 1903.

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INTRODUCTION

At the close of the Revolutionary War, although their political connection with Great Britain had ceased, the thirteen revolted colonies had every reason to expect that such trade as then existed would necessarily continue with the British West Indies, as well as with Canada, and the other northern colonies. This expectation was due to a just recognition of the great advantages connected with their economic position in the colonial system which they had just left. The resources of Canada were as yet undeveloped, to be sure, and the other northern colonies, Nova Scotia, Prince Edward Island, and Newfoundland, had little but gypsum, fish, and lumber to return to the United States in exchange for the provisions which the Americans later found it profitable to sell to them; but they, unlike Canada, were competitors with the United States for the trade of supplying fish and lumber to the British West Indies. In their relations to this West Indian trade Newfoundland, Nova Scotia, and the other northern colonies were now, since the Revolution, the more favorably situated because they still enjoyed within the English navigation system a freedom of trade which was denied to the United States by law, and this freedom of trade to a great extent balanced whatever advantage it may have been to the United States to be a little nearer to the West Indian market. English colonial vessels might freely carry back the tropical products of the West Indies in return for fish and lumber from the northern English colonies, while United States vessels were uniformly excluded from these northern ports, and might supply to Jamaica, and to the British West India Islands, in English vessels, such indis-

pensable commodities only as the northern British colonies could not furnish.¹

The laws of the English colonial system endeavored in a like manner to confine to England and to her colonies such trade as Canada and the northern colonies carried on. It must be remembered, too, that the English colonial system had tended to develop and to foster an inter-colonial trade while the thirteen revolted States were still colonies. The result of this system had been to knit certain colonies together by trade so closely that the political changes which followed the Revolution, and the War of 1812, served only for a time to check the tendency to continue these trade conditions which had been so diligently promoted by the English Navigation Laws.

The commercial inter-dependence of these colonies did not cease when some of them changed their political status. It had been too firmly established by tradition and by custom, as in the case of the West Indies, to be easily set aside, and whatever was the natural feeling of rancor and hatred which the exiled Tories carried with them to Canada, and to the other northern colonies, it was not of such character as to prevent them from exchanging their furs and certain farm products, wherever such trade could be profitably made, for supplies of various kinds which came to them from the United States.²

¹ Exactly what these commodities were we know from an enumeration in 28 Geo. III, Cap. 6, Par. 1 of articles which might be lawfully exported from the United States to the British West Indies. These articles were: tobacco, pitch, tar, turpentine, hemp, flax, masts, yards, bow-sprits, staves, headings, timber, shingles, lumber, cattle and live-stock, bread, biscuit flour, peas, beans, potatoes, wheat, rice, oats, barley and grain. A list which indicates how inadequate the resources of the northern colonies were to supply the demands made by the West Indies.

² The value of exports from the United States to the British North American Colonies in 1798 was over \$600,000. Chas. H. Evans, Domestic Exports, Table No. 5, pp. 79-80, Washington, 1884, Government Printing Office. Too much weight, of course, must not be laid upon the trade with Canada, which had been English only since 1763,

The growth of these commercial interests, after the war, for a long time held New England and the colonies more or less unwillingly bound together ; and the persistent idea of this relationship to each other as parts of a commercial unit, such as existed when they were all colonies of Great Britain, has consciously or unconsciously influenced every attempt to negotiate reciprocity treaties between Great Britain and the United States for greater freedom of trade with the northern colonies, and also with the British West Indies, that is to say, it has to a certain extent influenced every attempt to re-establish the old freedom of trade which once existed between all the colonies.

To understand what this means, it is necessary to recall what the Navigation System had aimed to bring about. In the first place, it had intended to secure to British vessels a monopoly of the carrying trade of Great Britain. By law colonial ships were considered to be British vessels, and they might freely trade to and fro between any parts of the British dominions. Vessels of any other nationality whatsoever were rigorously shut out from this trade, in order that British ships might have no foreign competition. In the second place, it had intended to secure to English merchants the entire English colonial trade. This was accomplished by allowing the colonist to import what he needed only through the English merchant. And to protect the English home interests, the colonists were further forbidden, to a limited extent, to manufacture ; the idea being that Great Britain would obtain her needed raw materials from her colonies, and would sell to them in return her own manufactured goods.

but in 1712 complaint was being made in Canada that it was impossible to prevent furs from being disposed of to the English colonies, because the English gave a better trade in return for them than the French.

Charlevoix, *History of New France* (Shea), V, p. 265.

In 1650 a proposition to establish commercial intercourse between the French and English colonies had come to the New England commissioners, from Quebec, but was refused.

Collections of the New York Historical Society, vol. II, new series, pp. 322-325.

This, if it could have been maintained, was an ideal condition of reciprocity, presumably good for the colonists, who would thus find a fairly sure market for their natural commodities, and assuredly good for the English manufacturer, who would not need to go into foreign markets for his supplies, and who could practically force the colonists to buy what he had to sell. The colonists, being thus restrained from manufacturing, had turned their attention to ship-building, and to producing, not only those commodities and raw materials which would find a sale in England, but also to producing those which the neighboring colonies required, but which owing to their soil and geographical position they could not produce.

When the thirteen colonies cast off their political allegiance to Great Britain, however, although their economic relation to the colonial system remained unaltered, they were at once shut out from the protection and the privileges which they had enjoyed as English colonies. The door being closed upon them, they were as strangers outside, while those within, their former fellow colonists, by reason of belonging to the same economic and geographical unit as the United States, were compelled to suffer because of the attempted exclusion of the United States from their commercial life. The political division, instead of coinciding with the economic boundaries, now ran athwart them, and attempted by artificial trade regulations to separate that which by nature was bound together. Thus it came about that there was pressure brought to bear both from within and from without the system to restore as far as possible the old relations.

This was true of our intercourse with both Canada and the West Indies. In each case the need for American productions and the need for American markets compelled some kind of commercial adjustment, and materially aided the United States in its endeavor to make an opening in the smooth front of the British colonial system. How these forces operated in the case of Canada is told in the treaty

which follows. The thing desired by the United States, it will be remembered, was that American fishermen be allowed to fish in disputed waters as they had done when they were colonists of Great Britain. It was Canada's desire that the United States should so far return to the old colonial arrangement as to allow a free trade to take place in the raw materials of both countries. Of course when this desire found expression in the treaty of 1854, it was not put into that form, but it meant practically nothing more.

Until the United States became a manufacturing nation, the limitations placed upon her trade with Canada were of little consequence. It was the need for a settlement of the fishery question which pressed upon the Republic, and this brought about an adjustment of the trade relations in a treaty with Canada, by which the United States not only regained all that had been desirable in the old colonial system with respect to Canada, but by which the United States was placed in a position where it hoped to be able even to supplant the mother country, and, by supplying American manufactured goods to Canada in return for Canadian raw materials, to assume the reciprocal relation toward Canada which England had held in colonial times.

In the case of the West Indies, the United States wanted to share with British ships, on her former colonial footing, the right to carry cargoes to and from British West Indian ports, not only to the United States, but to British colonial ports as well. In other words, Great Britain was urged to concede to the United States precisely the most vital point in the English navigation system, the right to trade between British colonies in vessels other than those of British register.

At no time while the controversy lasted, from Jay's treaty in 1794 until 1831, was England inclined to yield anything of the kind. The United States really did not expect that England would, and the question became simply this test of endurance: Could the economic dependence of the British West Indies upon the United States be relied on to force

Great Britain to yield, or would the merchants and farmers of the United States compel the American ship owners to give up the fight in order that their trade might not be interfered with.

The twelfth article of Jay's treaty had contained a virtual reciprocity treaty with the West Indies. It had provided for reciprocal port and tonnage dues, and had admitted the United States to a share in the carrying trade between the West Indies and the United States, stipulating that the United States should not re-export the sugar, molasses, coffee, cocoa, and cotton after it had been brought there from the West Indies, and further, that American vessels plying this trade must be seventy tons burden or less. Both of these provisions were, of course, with the end in view to keep American vessels from trading between West Indian ports and foreign countries or with other British colonies. This clause was struck out by the United States Senate as unsatisfactory, however, and the West Indian trade question had been thus left without treaty adjustment.

In the thirty-five years from Jay's treaty until the United States yielded the claim that its vessels should properly be allowed to share with England in the carrying trade between the British colonies, there was never any obscurity as to the point at issue.

The course of action pursued by the United States to force Great Britain to yield this point and the resistance made by Great Britain is, however, much more involved. The history of the retaliatory measures adopted by each nation is not necessary here, but a consideration of the conditions which made them possible is pertinent to the subject of reciprocity treaties, and particularly to the relation which the commercial unity under the old English colonial system bears to recent and to remote attempts to restore those free conditions of trade through reciprocity treaties.

The British West Indies and the middle and eastern sections of the United States stand in intimate economic relations to each other. The strip of ocean that separates

them, at the same time binds them together. This fact and the varied character of their productions has always made it natural that an exchange of commodities should take place. In colonial times it was even more easy than it has since been, and this was because of the artificial stimulus given by the Navigation Laws to inter-colonial trade in raw materials. For, being forbidden to manufacture for export or for each other, the colonies were induced to trade with each other in their natural productions.

In itself this was fortunate, because, due to their respective geographical positions, one colony usually produced in abundance what another colony most needed. This reciprocal inter-dependence was particularly true of the productions of New England and of the West Indies. New England's forests furnished timber of the most useful kind, her waters abounded in fish, and her farms yielded flour and provisions of all sorts, as well as cattle. The West India Islands needed all these staples of New England and of the middle states, for they produced none of them. Timber and lumber were needed not only for building houses, and for supplying ships with spars, but immense quantities of staves and head-ings were used in the manufacture of casks and barrels for holding molasses, rum, and sugar. The soil of the West India Islands is so productive and so well adapted to the growth of sugar-cane that the available land was all used to produce the sugar crop, and in this way little or no attempt was made to raise anything else. The attention thus given to sugar-cane made the Islands especially dependent on supplies like wheat, bread, flour, potatoes, all kinds of grain, cattle and timber, which could only be furnished them from without, a position of dependence very much like that of Hawaii at a somewhat later period. These were all profitably furnished by New England because the supplies of New England were close at hand.

On their part, the West Indies furnished mainly sugar and molasses, which the New England merchants were glad to exchange for their timber, fish and farm products. It is

familiar history how they took the molasses to New England to distill it into rum, how with the rum they bought negroes on the West Coast of Africa, which in turn they sold as slaves to the planters of the West Indies, who paid for them in sugar and molasses. This trade became very extensive, and was carried on with profit to both parties as long as New England remained in the English colonial system.

As it has been said, the needs of the inhabitants of those Islands, and their dependence upon the United States for supplies, were used by the United States in attempting to break down the opposition of Great Britain to foreign competition in her carrying trade. The attempt did not succeed, but the intimate trade relations with the West Indies did not cease as a result.

For, as the United States became a great manufacturing nation, it not only did not cease to produce natural commodities, but it was able to add to the list of goods supplied to the West Indian trade.

When the Canadian treaty was under discussion, consistent with the tendency to re-establish a freedom of trade which had once been enjoyed by the colonies, it was urged that the British West India Islands should be included in that reciprocity agreement, although this arrangement did not take place. It was not until the McKinley Act of 1890 provided for it, that the idea of restoring colonial free trade found expression in the reciprocity treaties negotiated with Great Britain for the West Indies in 1892, by the provisions of which the raw materials of these Islands were to be exchanged for the natural productions of the United States, and for American manufactured goods under very favorable conditions. They are examples of the same influence which was apparent in connection with the reciprocity treaty with Canada in 1854: the idea of a greater freedom of trade because of the direction originally given to it by the regulations of the old English colonial system, to which, as the thirteen colonies, we once belonged.

The return to these early trade conditions would seem to indicate that after all, the Navigation System did not press so heavily upon the colonists, and did not so directly contravene the natural laws of trade, as we have been accustomed to believe.

The present relation of Canada to reciprocity is most interesting. What will be the outcome of the agitation in England for a return to a protective tariff is entirely a matter of conjecture; Canada may not become a part of the proposed Imperial Customs-union, and the movement may fail altogether, but it is quite possible that, influenced by the agitation in England for commercial re-adjustment, Canada may gravitate to the commercial system of the American Republic.

In this connection, the influence of the northern migration of American farmers to the wheat fields of British Columbia must not be lost sight of, nor the significant, though more limited, settlement of French Canadians in the mill towns of New England. For in any arrangement, or lack of it, between the United States and Canada, the economic and commercial factor will be vital.

It will be evident, therefore, that the history of the attempt to adjust our commercial relations with Canada by a reciprocity treaty is very closely connected with present day issues.

Further, in the administration of our island dependencies, Porto Rico and the Philippine Islands, questions have arisen as to the basis upon which the productions of those islands should be admitted to the United States. The economic and political conditions which gave rise to the question of these commercial regulations have so many points in common with the conditions under which our trade with Hawaii has been carried on, that a consideration of the reciprocity treaty with Hawaii cannot fail to throw light on these more recent and related questions.

As a means of freeing trade, otherwise hampered by the operation of the tariff, the employment of reciprocity treaties is not less important on its political side. A very important question here suggests itself: Is the tendency of a prolonged reciprocity between neighboring countries a tendency toward a more intimate political relation? Where the countries have their boundaries contiguous with our own, as in the case of Canada and of Mexico, or where, though not contiguous, they are adjacent, as Cuba, will reciprocity treaties help to bring about annexation to the United States; or will the very fact that their commercial intercourse has been placed on a satisfactory footing thereby remove the most obvious reason for political unity? In order to draw any conclusions upon these matters, it is obviously necessary to consult the history of cases where reciprocity has already been tried.

PART I

THE RECIPROCITY TREATY WITH CANADA
IN 1854

CHAPTER I.

The Diplomatic History of the Treaty.

The treaty¹ entered into by the United States and by Great Britain in behalf of her North American colonies in the year 1854, offered an apparently happy solution for several vexed questions. These involved in their nature the economic, political, and financial policy of Great Britain, and of the United States, as well as the local needs and prejudices of the individual states and colonies.

The treaty with England, in 1782, had specifically provided for the continuance of our rights in the fisheries as before the war. But at that time it was not known that the source of the Mississippi River did not lie within British territory. This fact was not ascertained until the Commission, provided for in Jay's Treaty of 1794, had determined the northern boundary of the United States, and Great Britain was thus deprived of any right to navigate the Mississippi River, a matter of great consequence to her. When the treaty of Ghent was drawn up in 1814, at the close of the War of 1812, the fisheries were not provided for, because, it was claimed, the war had annulled any previous treaty stipulations, and a new agreement was necessary. This idea was repelled by our Commissioners, but a subsequent treaty was drawn up in 1818 to provide for the fisheries. The right to the fisheries may have been withheld by Great Britain, as it has been suggested,² in order to exchange it for the free navigation of the Mississippi. At any rate, the Convention of 1818³ had meant to compromise the opposing claims of the two governments; that the United

¹ Haswell's Treaties and Conventions, p. 448. 10 U. S. Stat. at Large, 1099. Stat. United Kingdom, 18 and 19 Vict. Cap. 3.

² J. G. Blaine, Twenty Years of Congress, Vol. II, pp. 615-618.

³ 59 Geo. III, Cap. 38. J. G. Blaine, Twenty Years of Congress, Vol. II, pp. 615-619.

States *had*, and that the United States *had not* forfeited by the War of 1812 its treaty rights to take fish in the waters adjacent to the British colonies; but an ambiguous clause as to the extent of the rights defined by this convention raised an issue that for a series of years disturbed the peace of the two nations, an issue embodied in the quarrel of the British colonies with the American fishermen. This trouble caused the disputed waters to be patrolled by English and American war vessels, and so high did feeling run that frequently only the prudence of the naval commanders prevented an outbreak of hostilities.

The issue¹ raised was whether the line, within which the Americans might not fish, should be drawn three miles from shore following the indentations of the coast, or three miles from shore drawn from headland to headland. The difference was vital. Indented as the New England and British American shores are by innumerable bays, great and small, it was a question of serious importance to the American fisherman where the line was to be drawn; for the decision would determine whether he would enjoy or be deprived of these profitable inlets as his lawful fishing grounds.

Codfishing is deep-sea fishing. It is perilous, therefore, and if pursued alone does not yield profit or even livelihood to fishermen coming from a distance. Furthermore, the fishing season is limited. But at the time when this industry is slack, the bays and inlets swarm with herring and mackerel that may be taken without danger from open boats and cured on shore,² so that a combination of the three kinds of fishing was possible, which returned good profits for the voyage; but without the privilege of entering the *bays*, the American

¹ Foreign Relations, Pt. III, 1873-4, pp. 277-286. Ex. Docs. No. 23, pp. 389-493; 32 Cong. 2 Sess.; Article in North American Review, Vol. 62, for full discussion of subject.

² A full treatment of this phase of the subject is given in the report of I. D. Andrews, Sen. Docs. No. 112, 1851-52. 1 Sess. 32 Cong., Vol. II, pp. 39-41.

fishermen were driven to violate the law,¹ or to take up other occupations on shore.²

The colonial interpretation³ of the treaty was that the line should be drawn from headland to headland, a thing preposterous to the Americans who had before this always fished in these waters unchallenged. But the provincial governments refused to make concessions, and remained obdurate⁴ even when Great Britain was willing to yield.

Because of this attitude of the Provinces, the United States appeared unable in any way to obtain a privilege that it very much desired, and, when year after year American fishing boats were seized by the colonial authorities, could only make protests⁵ to Great Britain.

A change, far reaching in its results, took place in the economic policy of Great Britain in 1846. This was the free trade movement, which, by the repeal of the British Corn Laws, reacted upon the trade of the North American colonies, and forced them in turn to seek such commercial adjustments with the United States as the serious position of the colonies made urgent. In earlier years a differential duty by certain laws had protected grain and lumber,

¹ "One of the most serious consequences of this habitual evasion of the terms of the convention of 1818, was that the American fishing vessels were obliged to place themselves in difficult and dangerous positions to avoid detection. In 1851, over 100 vessels were driven ashore on Prince Edward Island in a gale and over 300 lives lost. The fleet braved the storm rather than run for port, and thus confess their infraction of British rights."—The Reciprocity Treaty. (Prize essay) Arthur Harvey, p. 7, note (c).

The Americans never acknowledged these rights; and their treatment in British colonial ports was such that they usually preferred the high seas.

² Reports of Committees, 2 Sess. 32 Cong. 1852-53; Report No. 4, p. 24.

³ Ex. Docs. 2 Sess. 32 Cong., Vol. 3, 1852-53; H. Doc. No. 23, p. 406, Sec. 2.

⁴ North Am. Review, Vol. 62, pp. 369-70, et seq.

⁵ A list of official papers relating to the fishery dispute with Great Britain from June 25, 1823, to July 14, 1852, is found in Sen. Docs. 32 Cong. 1 Sess. Vol. 10, No. 100, pp. 3-155.

the great colonial staples, in the markets of Great Britain. When, however, the duty on lumber was reduced one-half,¹ and that upon corn² was virtually abolished, the lumber trade was at once depressed, and the trade in colonial grain was in danger of being driven from the English markets by that from countries less remote. Thus it was feared that wheat from the Canadas could no longer compete with grain from the Danube and the Black Sea, and that provincial lumber could not undersell that from the Baltic. That these fears were very well grounded is shown by the tables of English imports of grain from 1844 to 1852.³ With this discouraging outlook abroad, the colonies, especially Canada, cast about to dispose of their agricultural and forest products in markets nearer home.

The natural market for the colonies was the United States,⁴ but the American tariff of 1846⁵ presented a wall over which the products of the colonies could hardly be forced. Thus, shut out of English markets because of the

¹ Stat. U. K. Vol. XVIII, pt. I, 9 and 10 Vict. Cap. 23, par. II, June 26, 1846.

All restrictions on breadstuffs were not removed until 1849. A differential duty continued on lumber until 1860.

² English *corn* = wheat.

³ See Appendix, Table A.

⁴ "The near market must as a rule be the best, not only on account of the difference in freights but in many cases on account of the perishableness of goods. It must be best for fruits, fish, vegetables, and even for poultry and eggs. It is best for horses, the breeding of which is a great Canadian industry."—Canada and the Canadian Question; Goldwin Smith, p. 291.

⁵ Coal, firewood, fur, hemp unmanufactured, potatoes, poultry, wood unmanufactured, and wool=30 per cent.

Bacon, bark, barley, beef, corn, fish, flax, wheat flour, fruit, furs on skin, hempseed, lard, marble, rough or in blocks, oats and pitch=20 per cent. Gypsum (ground), planks, pork, scantling, skins of all kinds unmanufactured (tanned or dressed,) timber (hewn or sawed), vegetables, whale bone and oil=20 per cent.

Flax (unmanufactured), tow (flax or hemp), flaxseed=15 per cent.

Grindstones, hides, and rags=5 per cent.

U. S. Statutes at large; Tariff of 1846; Vol. 9, p. 42.

distance, and from the American market because of the tariff, the condition of the colonies was critical in the extreme.¹ It was indeed plain that if the colonies were to enter the markets of the United States with their products,² they must ask for some relaxation of the tariff on the part of the American government.

The Canadian Parliament had passed, May 12, 1846, resolutions³ asking Her Majesty's government to open negotiations with the United States for the purpose of obtaining admission there for the products of Canada on the same terms on which American products should be admitted to the markets of Great Britain and Canada. Mr. Gladstone replied,⁴ June 3, 1846, that Her Majesty's government would

¹ Letter of Lord Elgin :—The downward progress of events ! These are ominous words. But look at the facts. Property in most of the Canadian towns, and more especially in the capitol, has fallen fifty per cent. in value within the past three years. Three-fourths of the commercial men are bankrupt, owing to free trade ; a large proportion of the exportable produce of Canada is obliged to seek a market in the States. It pays a duty of 20 per cent. on the frontier. How long can such a state of things be expected to endure ? . . . I am confident I could carry Canada unscathed through all these evils of transition . . . if I could only tell the people of the Provinces that as regards the conditions of material prosperity they would be raised to a level with their neighbors. But if this be not achieved, if free navigation and reciprocal trade with the Union be not secured for us, the worst, I fear, will come, and that at no distant day.

Walrond's Letters and Journals of Lord Elgin, p. 70. (Date not given, probably early in 1849.)

² The duty on our side on colonial and other foreign goods, averages twenty-three and one-half per cent. on the principal articles of exportation.

The duty imposed upon our exports to Canada averages twelve and one-half per cent. It does not differ materially although it is somewhat lower in the other colonies.—Reports of Committees 2 Sess. 32 Cong. H. Rep. No. 4, p. 6.

³ Mr. Crampton to Mr. Clayton, March 22, 1849, Reports of Committees 32 Cong. 2 Sess. Rept. No. 4, p. 53 ; and Hopkins' Canada, p. 345.

⁴ Mr. Crampton to Mr. Clayton, March 22, 1849 : Repts. of Comm. 32 Cong. 2 Sess. Rept. No. 4, p. 53 ; and Hopkins' Canada, p. 345.

readily cause directions to be given to the Minister in Washington to avail himself of the earliest opportunity to press this important subject upon the notice of the American government. So the matter rested for a time.

Yet to afford some relief to the distressed colonies, Parliament passed an Act,¹ August 28, 1846, giving them power to regulate their own tariff. This liberty was made use of in 1847,² when the Canadian Parliament lowered the duty on American manufactures from 12½ per cent. to 7½ per cent. and raised the duty on British manufactures from 5½ per cent. to 7½ per cent. In this way it equalized as far as possible the conditions upon which British and American manufactured goods entered the Canadian markets. The measure was the more important when we consider that previous to this time, agreeable to the traditional colonial policy of Great Britain, there had been heavy discriminating duties favoring the mother country. These duties were now lowered as a natural consequence of the removal by Great Britain of differential duties in favor of the colonies.

But this equalization afforded a relief so inadequate, that in 1848, in behalf of the colonies, Mr. Crampton, *chargé d'affaires* of the British government, called the attention of Mr. A. J. Walker, then Secretary of the Treasury, to the subject of reciprocal trade with the Provinces.³

As a result of Mr. Walker's favorable consideration of the matter, a bill⁴ was drawn up by Mr. Grinnell of the Committee of Commerce. This bill contained a schedule of free goods, but made no provision for the fisheries. It passed the House of Representatives,⁴ but failed in the

¹ Stat. U. K. Vol. XVIII, pt. I; 9 and 10 Vict. Cap. 94.

² 10 and 11 Vict. Cap. 31. July 28, 1847. Provincial Statutes of Canada.

Referred to also in Reports of Comm. 2 Sess. 32 Cong. 1852-53; Rept. No. 4, p. 54.

³ Foreign Relations, 1873-4; pt. III, p. 292.

⁴ Cong. Globe, 1 Sess. 30 Cong., Vol. 18, p. 923 (1848).

Ex. Docs. No. 64; H. Reports 1st Sess. 31st Cong.

Senate, probably because of the strong opposition of President Taylor's Cabinet to the measure,¹ on the ground that it would take out of the hands of the House of Representatives a certain amount of power to originate bills of revenue in time of national need,—an objection the force of which a later Congress was to experience. The Canadian Provincial Parliament, desirous to keep the subject still open, passed an act April 25, 1849, providing for the free admission into Canada of certain articles² produced in the United States, whenever the same articles, the produce of Canada, should be admitted free into the United States.

This offer met with no response from the United States. Nothing at least was done toward accepting it, and Canada, on whom the repeal of the Corn Laws had fallen most heavily, now a disappointed³ suppliant, was threatening, by a return to high tariff, retaliation upon our trade.⁴

Up to this time the Maritime Provinces, Nova Scotia, New Brunswick, and Prince Edward Island, had been less affected than Canada had been by the free trade movement, but in 1849, the repeal of the Navigation Laws⁵ by Great Britain seemed to threaten their chief industry, the ship-building and carrying trade for the colonies. They viewed with alarm the competition of foreign ships, for until now the commerce of the colonies had been carried on entirely

¹ Senator Collamer, Cong. Globe, 3 Sess. 38th Cong. 1864-5 ; pt. 1, p. 210.

² *Schedule* : Grain and bread stuffs of all kinds, vegetables, fruits, seeds, animals, hides, wool, butter, cheese, tallow, horn, salted and fresh meats, ores of all kinds, metals, ashes, timber, staves, wood and lumber of all kinds. — 12 Vict. Cap. 3, Provin. Stat. Canada. April 23, 1849.

³ A proposition for a reciprocal relaxation of commercial restrictions had also been made by Mr. Crampton, March 22, 1849. For the correspondence on this subject March 22, 1849 to April 1, 1850, including a memorandum of Hon. W. H. Merritt, special agent for Canada, see Reports of Committees, 32d Congress, 2d Session, H. Rep. No. 4, pp. 53-72.

⁴ Hon. W. H. Merritt's Memorandum, House Rep. No. 4, p. 63.

⁵ Stat. U. K. Vol. XIX, pt. 11 ; 12 and 13 Vict. Cap. 29.

in British vessels. Canada, however, looked upon the repeal of these laws with satisfaction, for foreign competition in the carrying trade meant cheaper freight from her farms and forests to the sea coast. The Maritime Provinces, thus deprived of the advantage which the Navigation Laws had given, felt now all the more that they were in a position where unrestricted trade with the United States in coal, fish, gypsum, and ores of metals, the chief products of these Provinces, was not only desirable, but almost essential to them.

In April of this same year, 1849, discontented with the depression of her trade, for which she held the actions of the home government in part responsible, Canada's feeling burst forth. A riot followed the signing of the bill to provide for the losses sustained by Lower Canada in the rebellion of 1837. During this outbreak the Parliament House was burned at Montreal, the Governor General, Lord Elgin, was pelted in the streets, and the British League issued its manifesto in favor of annexation to the United States.¹

Politically, the presentation at this time of the question of annexation, was exceedingly unfortunate. If Canada had come into the Union with the consent of England, a thing hardly probable, she would have come in as a free state. This would have served to intensify the animosities of the fight on the slavery question, at a time when it was hoped by every one that the matter would be settled by the Clay Compromise of 1850. On the other hand, if Canada broke away forcibly from the mother country, hostilities with England could scarcely have been avoided. But the question did not come to an issue. Annexation found only scant encouragement from the northern states, enough, however, for the slave party to see in the unadjusted trade relations with Canada a constant menace to the southern majority

¹ N. Y. Tribune, April 30, 1849.

in the government.¹ According to the recollection, in 1865, of Senator Collamer² of Vermont, and of Senator Chandler of Michigan,³ who were members of the Thirty-second Congress, this apprehension on the part of the South, in 1854, was what brought about the treaty. It is the more probable when we remember that the South favored a free trade policy, and that if the alternative were offered of free trade by treaty or the annexation of Canada, the South must naturally have favored the treaty.

In a message⁴ to Congress May 7, 1850, President Taylor transmitted all the official correspondence⁵ with Great Britain on the subject of reciprocal trade with the Provinces, and called the attention of Congress to an arrangement for free trade between the United States and the Provinces in their natural products, which would provide also for the free navigation of the St. Lawrence and of the Canadian canals. On December 2, 1851, President Fillmore⁶ directed the attention of Congress to the fact that overtures had been made by the British government relative to reciprocal trade with the United States, and suggested that the matter should be regulated by reciprocal legislation. Yet matters drifted on, and Congress took no action.⁷

¹ The annexation of Canada could not then have seemed so remote as we might consider it now. There was a very widespread belief that President Pierce's administration had some designs upon Cuba, as future territory for the extension of southern slavery. This opinion was strengthened by the later appearance of the Ostend Manifesto, Oct. 18, 1854. The Kansas-Nebraska Bill had repealed the Missouri Compromise May 30, 1854, so that the fear of the slavery party that the northern States might look upon Canada as a legitimate means to restore the balance of power between the southern slave States and the northern free States, was very natural.

² Senator Collamer, Cong. Globe, 2d Sess. 38th Cong. 1864-65; p. 210; pt. I.

³ Senator Chandler, same; p. 230.

⁴ Repts. of Comm. 32 Cong. 2 Sess. H. Rep. No. 4, pp. 51-52.

⁵ Same, pp. 53-72.

⁶ Annual message; and Foreign Relations, 1873; pt. III, p. 293.

⁷ "Congress did nothing, said nothing, thought nothing on the subject."—Hon. W. H. Seward, U. S. Senate, Aug. 14, 1852.

Diplomatic negotiations having produced no apparent results, other methods were resorted to. At Toronto,¹ July 21, 1851, Canada with its little strip of sea coast, agreed to coöperate with the delegates from Nova Scotia and New Brunswick in the efficient protection of the fisheries, by providing either a steamer, or two or more sailing vessels, to cruise on the Gulf of St. Lawrence, and on the coast of Labrador, to seize American fishing vessels found within the three-mile limit. This was after a renewed appeal had been made to England for aid.

On July 5, 1852, the British government sent a communication to the United States, announcing that she was about to send to British North American waters "such force of small sailing vessels and steamers as shall be deemed sufficient to prevent the infraction of the treaty."² The United States at once sent Commodore Perry to the fishing grounds, in command of the steam frigate *Mississippi*, "to protect the rights of American fishermen under the convention of 1818."³

It will be remembered that Great Britain and the United States held opposite views as to what these "rights" were.

The colonial governments themselves fitted out six cruisers fully manned and armed,⁴ and the danger of a clash with our vessels of war in colonial waters was imminent. Prudence, however, prevailed. There was no collision, but American fishermen suffered severely.

The events of this summer produced great excitement in the United States, as it was thought that England was attempting to force the negotiations on the subject of reciprocal trade.⁵ Whatever may be said of the action of the

¹ Ex. Docs. No. 23, pt. IV, 2 Sess. 32 Cong. pp. 436-7.

² Mr. Crampton to Mr. Webster July 5, 1852, Sen. Docs. 32 Cong. 1 Sess. No. 100; Vol. 10; p. 154.

³ Ex. Docs. No. 100; Vol. 10; 32 Cong. 1 Sess. p. 1.

⁴ I. D. Andrews' Report; Ex. Docs. No. 112; Vol. II, p. 36; 32 Cong. 1 Sess.

⁵ Speeches of Senators Davis, Seward and Mason in U. S. Senate Aug., 1852.

colonies in the matter, the British government seems to have had no such intention,¹ although it was known that Great Britain would not consider the settlement of the fishery question aside from reciprocal trade.²

The explanations that followed England's action quieted the agitation, but it had brought the fishery question before the public, and had shown how serious the matter might become.

Such was the condition of our relations with the British North American Provinces in the summer of 1852. They had indicated unmistakably that they wanted free trade with the United States. The United States, while it recognized the need of the Provinces for American markets, saw very little advantage to itself in such arrangement, and had received with more or less indifference the advances which had been made. It is not probable that the question of reciprocal trade would have received much consideration had not the fishery question been forced to an issue. The fishing rights were not in themselves so very valuable to the United States, but to Maine and to Massachusetts they were quite necessary, and the question of protecting the industry of these states was important enough to be considered a national question if, while it was unsettled, there should remain this source of continual irritation in our diplomatic relations with Great Britain.

Congress could decide what the United States was willing to give to have the fishery dispute settled; whether it was a fair exchange to throw open its markets to the Provinces as they desired, or whether in return for this concession something more should be asked by the United States than the mere privilege of fishing in colonial waters as before the war of 1812.

Plainly, if the United States saw fit to close her doors on reciprocal trade with the British Provinces, the latter,

¹ Speech of Queen in opening Parliament; President Fillmore's Message Dec. 6, 1852; official correspondence.

² Ex. Docs. No. 40; p. 3; 32 Cong. 2 Sess.

in turn, would insist on a rigid enforcement of the colonial view of the treaty of 1818.

Fully aware of this, and knowing the losses suffered by the American fishermen during the summer, and the hardship which such conditions would bring on them in the future, President Fillmore, December 6, 1852, in his message¹ to Congress said that he considered the moment favorable for the consideration of the entire subject of the fishery question. "Great Britain," he says, "will meet us in an arrangement which will include the subject of commercial relations with the British Provinces." Remembering, doubtless, the fate of the bill of 1848 for the purpose of reciprocal trade, he added that "all the provisions of such arrangements affecting the revenue would be reserved to the control of Congress."

The attitude of Congress was favorable to a consideration of the matter, and February 11, 1853, Mr. L. D. Seymour, of the Committee of Commerce, reported a bill² embodying the subject of the fisheries, and reciprocal trade with the British North American colonies, as well as a provision for free trade with the British West Indian ports. This bill was fully discussed in the House of Representatives, but did not come to a vote before Congress adjourned. The subject then passed from Congress to the State Department, and here it took final form.

After a correspondence on the subject, Mr. Crampton, September 1, 1853, submitted to Mr. Marcy, then Secretary of State, a *projet*.³ Mr. Marcy, in reply, called attention with shrewd foresight to the weak points in the proposed treaty; but, when the final instrument was drawn up, the form of the treaty remained practically unchanged. Among other objections, Mr. Marcy showed that manufactures had

¹ Ex. Docs. No. 1, 32 Cong. 2 Sess. Vol. I, pt. I, pp. 3-4.

² Cong. Globe, Vol. 26; 32 Cong. 2 Sess. p. 568. Text of Bill is found in Cong. Globe, Vol. 27; 32 Cong. 2 Sess. p. 198.

³ A full copy of the *projet* and Mr. Marcy's notes on it is printed in Foreign Relations 1873-74, pt. III, p. 296.

been omitted; that the clause as to canals would be nugatory as the United States had none; that the interests of the southern states must be cared for; and that upon this ground he had added rice, tar, pitch and turpentine to the schedule offered in the *projet*. To this list, when the treaty was drawn up, were added products of fish and other creatures living in water, coal, unmanufactured tobacco, and rags.

The return to America at this time of Lord Elgin, Governor General of Canada, was considered so fortunate a circumstance that the English government decided to send him to Washington to conclude the negotiations of the treaty.¹ This was done, and he arrived with his suite May 26, 1854, the night that Congress passed the Kansas-Nebraska Bill. Ten days later, June 5, 1854, the treaty was drawn up and signed by him, and by Mr. Marcy.

"Being," as it was stated in the preamble, "desirous to avoid further misunderstandings in regard to the extent of fishing on the coast of British North America" and "to regulate the Commerce and Navigation between Her Majesty's possessions in North America and the United States of America in such manner as to render the same reciprocally beneficial and satisfactory," the treaty disposed of all the questions at issue between the two countries.

It provided:

(a) for the mutual enjoyment of the Atlantic coast fisheries, at any distance from the shore, north of the 36th parallel;

(b) for free markets for the natural products of the United States and the British North American colonies, as follows: *Agricultural products*: grain, flour, and bread-stuffs of all kinds, cotton-wool, seeds and vegetables, undried and dried fruits, poultry, eggs, butter, cheese, tallow, plants, shrubs and trees, rice, broom corn, and bark, dye stuffs, flax, hemp, and tow manufactured, tobacco unmanufactured. *Products of the mine*: stone or marble in its

¹ Debates in Parliament, Lord Clarendon, June 27, 1854; Vol. 134, p. 729.

crude or unwrought state, slate, ores of metals of all kinds, coal, gypsum, ground or unground, hewn, or wrought, or unwrought, burr or grind stones. *Products of the sea:* fish of all kinds, products of fish and of all other creatures living in the water, fish oil. *Products of the forest:* pitch, tar, turpentine, ashes, timber and lumber of all kinds, round, hewed, sawed, unmanufactured in whole or in part, fire-woods. *Animals and their products:* animals of all kinds, fresh, smoked, and salted meats, hides, furs, skins or tails undressed, lard, horns, manures, pelts, wool. *Miscellaneous:* Rags.

(c) It removed any cause for annexation by granting to Canada all the commercial benefits without the political complications of annexation.

(d) It gave the United States free navigation of the St. Lawrence River and of the Canadian canals.

(e) It disposed of the accumulating surplus in the Treasury of the United States without an undesired revision of the tariff.¹

No mention was made in the treaty of manufactured goods. This was a matter vital to its operation, for it later raised the question as to the *spirit* and the *letter* of the treaty; that is, the spirit of reciprocity of which the treaty was only the symbol, and the letter of the treaty which gave no latitude beyond its actual provisions.

There were two important reasons offered why manufactured goods could not be included in the articles of the treaty. The first was that the Province of Canada could not give up the tariff as a means of revenue; the second reason was that Canada could not make manufactured goods free to Great Britain and to the United States at the same time without making a dead letter of the American tariff

¹ The public debt, Dec. 3, 1853, was \$56,336,157.32, payable only at fixed intervals. The balance in the United States Treasury September 30, 1853, was \$28,217,887.78.

Rept. of Secretary of Treasury 1853-4; Ex. Docs. No. 3, p. 3, 33 Cong. 1 Sess.

against Great Britain's manufactured goods. Nor could Canada admit the manufactures of Great Britain at her then low tariff rates, while the United States excluded them by high tariff rates, without producing the same result. For if wares could come to the colonies from England free of duty, or subject to only a nominal tariff, and pass from the colonies into the United States free, it is obvious that the American tariff against English manufactures could not be enforced. But these objections were not insuperable, for Hon. W. H. Merritt, the accredited agent of Canada in the United States, stated that reciprocity in manufactured goods might be obtained with Canada at any future time.¹ The colonies had made the natural products stipulated in the treaty free to Great Britain.² The United States and England were thus on equal footing as to freedom of trade in the natural products of the colonies.

The colonial agricultural and forest products were bound to compete by a reciprocity arrangement with like products in the United States, but this objection was met by the advantage of the lowered price of grain and lumber which it was urged the consumer would pay as a result of a greater supply in a free market.³ With the expectation that prices would thereby be lowered, the farmers and lumbermen were naturally opposed to a measure that would swell from other

¹ "It has been suggested that the same principle (*of reciprocity*) should be extended to the manufactures of the United States and Canada. To this Canada could have no objection; on the contrary, we feel persuaded it would be to our advantage, but it was considered unwise even to propose it, because American manufactures would feel apprehensive that British fabrics might be introduced by this means through Canada into the United States, at duties considerably lower than those imposed by the present American tariff. This was the only reason for not proposing that extension; *if desirable, it can be obtained at any future time.*"

Hon. W. H. Merritt's Memorandum, Repts. of Comm., H. Rept. No. 4; pp. 58 and 59, 32 Cong. 2 Sess.

See also Hopkins' Canada, p. 339.

² 12 Vict. Cap. 1; 13 and 14 Vict. Cap. 3; Canadian Consol. Statutes.

³ See table of prices during the Treaty, Appendix IV.

sources the supplies of commodities which they had been accustomed to furnish. That the farmers were somewhat mistaken in their opposition will be shown later.

The case of the lumbering interest was not identical. Much of the lumber at this time was obtained from the New England States, but in all the states excepting Maine, the supply was far below the demand.¹ Prices were naturally high, and, as a consequence, great quantities of Canadian lumber were coming to the United States in increasing amounts in spite of the tariff. Maine was thus the only state that would suffer severely by competition, for Michigan lumber was not yet a matter to be considered. Maine, however, was content that provincial lumber should come into the markets of the United States free of duty, provided the privilege was granted of floating Maine lumber down the St. John river without payment of duty. A glance at the map of Maine and New Brunswick will show that the head waters of the St. John river are in Maine, in her great timber region. The river flows across that state to New Brunswick, after crossing which, it flows into the Bay of Fundy. By a treaty² between the United States and Great Britain dated August 9, 1842, all lumber floated down the St. John river was to be treated as New Brunswick lumber. At the time of the treaty, there was no duty on New Brunswick lumber and therefore none on Maine lumber, as it came down the river. After a short time New Brunswick found that the taxes she was levying did not bring revenue enough to meet expenses, and a tax was accordingly laid on all lumber from Maine or New Brunswick at the mouth of the St. John. This tax was so high that Maine lumber could not be brought down the river with profit, so with great labor and hardship it was floated up the river by means of canals, built so that the lumber finally reached the chain of

¹ Repts. of Comm. 32 Cong. 2 Sess. 1852-53; H. Rept. No. 4; pp. 20-21.

² Stat. U. K. Vol. XIII. 6 and 7 Vict. Cap. 84, par. 23; and 8 and 9 Vict. Cap. 93, par. 27.

Maine lakes that led to the ocean.¹ It was for this privilege of again taking timber down the St. John river that the Maine lumber men were willing to give up the former advantage of not being forced to compete with colonial lumber in a free market, and a clause embodying the privilege was inserted in the treaty.²

North Carolina's chief interests are in the lumber industry, and her markets might have suffered from the result of free lumber from the Provinces. To satisfy North Carolina, it was stated³ that the treaty would provide that in exchange the British West Indian ports would admit her forest products free of duty. This concession was not made, however, when the treaty was signed.

An examination of the articles of the treaty will show what each party to it contributed.

The United States government gave: (a) a free market for provincial products; (b) free navigation of Lake Michigan; (c) a promise, which remained a dead letter, "to urge upon the various state governments to secure to the subjects of Her Britannic Majesty the use of the several state canals on terms of equality with the inhabitants of the United States;"⁴ (d) free Atlantic sea-coast fishery north of 36° North Latitude.

The British government on its part gave: (a) a free market to articles named in the schedule; (b) permission to fish on the British North American coast, practically as before the treaty of 1818; (c) free navigation of the St. Lawrence river and of the Canadian canals; (d) free lumber on the St. John river.

It will be seen that the only valuable concession made by the United States was a free market for the provincial products,⁵ and that it was to balance this that the British

¹ Repts. of Comm. 32d Cong. 2 Sess., H. Rep. No. 4, p. 21; 1852-3.

² Article IV, of the Treaty.

³ Cong. Globe, Vol. 27; p. 211, 2d and 3d Sess. 32 Cong. See Seymour's Bill.

⁴ Article IV, sec. 3.

⁵ See J. G. Blaine, *Twenty Years of Congress*, Vol. II, p. 620.

government gave the fisheries, the St. Lawrence river, the canals and free lumber on the St. John river. Indeed, free trade given to Canadian products alone was considered an equivalent for free navigation of the St. Lawrence and the Canadian canals.¹

Bearing this fact in mind, one is not surprised to find that the schedule is arranged from the standpoint of the colonial needs, that nearly all the articles contained in the free list are staple products of the Provinces.²

The principal exports to the United States from New Brunswick were lumber, coal, gypsum, fish, fish-oil, and grindstones; from Nova Scotia, sawed lumber, fish, gypsum, grind-stones, coal, potatoes, and cord wood; from Prince Edward Island, small fishing vessels. The principal articles of export from Canada to the United States were flour, wheat, lumber, cattle and horses, oats, barley, rye, wool, butter, and eggs.³

The principal articles of export from the United States to Canada were tea, tobacco, cotton and woolen manufactures, hardware, sugars, leather and its manufactures, coffee, salt, indigo, rubber goods, hides, machinery, fruits and wooden ware. This does not include certain agricultural products exported to the Provinces.

This list of articles exported and imported by the Provinces and by the United States shows that Canada would have forest and agricultural products to sell, and manufactured goods to buy. The United States would have manufactured goods to sell, and would need to buy lumber and some

¹ "It is further agreed that if at any time the British government should exercise the said reserved right (sec. I), the government of the United States shall have the right of suspending, if it think fit, the operation of Article III of the present treaty in so far as the Province of Canada is affected thereby, for so long as the suspension of the free navigation of the river St. Lawrence or the canals may continue." Article IV, Sec. 2.

² J. G. Blaine, *Twenty Years of Congress*, Vol. II, p. 620.

³ Sen. Ex. Docs., No. 112; Vol. 11; 1852-3; 32d Cong. I Sess., p. 429.

agricultural products. Here, then, the two countries were in a position to supply each the other's needs reciprocally.

In considering this reciprocal relation it must be remembered that the Canadian tariff at this time was moderate, that the Provinces manufactured almost nothing,¹ and that the United States government had reason from an official source² to hope that the *spirit* of reciprocity would extend to this exchange of colonial natural products for American manufactured goods.

A reciprocity actually provided for in the treaty, and which operated satisfactorily to its close, was the exchange of products due to the geographical position of New England in relation to the Maritime Provinces, and of Canada to the States bordering upon the Great Lakes.

¹ Repts. of Comm. 32d Cong. 2 Sess. Rept. No. 4, p. 16; 1852-53.

² Repts. of Comm. 37 Cong. 2 Sess. Rept. No. 22, p. 11; Vol. 3; 1861-2.

CHAPTER II.

The Treaty in Operation.

Having traced the history of the drawing up of the treaty, let us go on to examine its operation. We shall consider the subject of transportation, and of trade in the natural products enumerated in the schedule, and mark the tendency of the treaty to produce during the years that it covers a reciprocal interchange in all branches of trade rather than simply an increase in the volume.

There was during that time a great increase in population,¹ an opening up of new rich farming lands,² and a consequent increase of production³ in the western and north-western part of the United States and in Canada.

¹ *Aggregate population:*

	1850.	1860.	1870.
of the Maritime Provinces*	664,051	788,049	.....
of Canada*	1,842,265	2,507,657	.....
of the New England States†	2,728,116	2,135,283	3,487,924
of the States bordering the Great Lakes and Iowa†	10,130,731	14,560,770	17,662,953

* Harvey, Recip. Treaty, p. 4 and p. 6; and 3 Sess. 8 Parl. Prov. of Canada; Debate on Confed. p. 140.

† Compendium of 9th U. S. Census.

² *Land in farms in acres:*

	1850.	1860.	1870.
In Canada* (improved lands)	7,307,950	10,855,854	.....
In the New England States†	18,367,458	20,110,922	19,569,863
In the States bordering the Great Lakes and Iowa†	83,640,239	123,465,816	149,660,023

* Harvey, Recip. Treaty, p. 5.

† Compendium of the 9th U. S. Census.

³ *Bushels of corn:*

	1850.	1860.	1870.
raised in Canada*	2,090,094	2,591,151	.....
“ New England†	10,175,856	9,164,505	7,347,666
“ Iowa, and the States bordering on the Great Lakes†	223,587,543	373,879,370	402,480,326

* Harvey, Recip. Treaty, p. 5.

† Compendium of 9th U. S. Census.

The great increase in the means of transportation¹ from 1850 to 1865 brought many of these localities into communication with the great markets, and made a commodity of their formerly almost worthless farm products.² For these reasons it is difficult to say how much of the increase of trade was due to growth in population and improved transportation facilities, and how much to the operation of the reciprocity treaty.

More than this, the Crimean War coincided³ with the first years of the treaty. The maintenance of this war caused an unusual demand for American and Canadian breadstuffs in Europe. For reasons to be considered later, these exports tended to be included in the reports of trade between the United States and Canada. A like unusual demand by the United States for Canadian productions during the last three years of the treaty arose because of our Civil War; yet after these demands had been subtracted, there was a vigorous and growing trade between the British North American colonies and the United States, although, as will be shown, the table of total exports and imports is not a reliable index of the actual exchange of commodities.⁴

To get a clearer idea of the effect of the treaty independent of other factors which contributed to reciprocal trade with Canada, we must review certain conditions that existed anterior to the treaty itself.

As one of the results of the Canadian agitation of 1849, there was established in the year 1850 between the Provinces

<i>Bushels of wheat grown:</i>	1850.	1860.	1870.
In Canada*.....	15,756,493	27,274,779	.....
" New England†.....	1,063,894	1,083,193	1,000,693
" Iowa and the States bordering the Great Lakes†.....	69,376,575	112,157,829	207,763,097

* Harvey, Recip. Treaty, p. 5.

† Compendium of 9th U. S. Census.

¹ See map.

² See Table I in Appendix.

³ War was declared Oct. 1, 1853. Peace concluded March 30, 1856.

⁴ See Appendix, Table II.

and Great Britain and between the several Provinces themselves free trade in natural products.¹ As before this time each Province had laid its own duty on the products of the other, the result of these conditions upon the trade of the United States had been very marked. The exports of the United States to the Provinces, which for the four years preceding the treaty had averaged about eleven million dollars per annum, for the period before that, beginning with 1821, did not average four million dollars per annum.² To encourage further this trade with the Colonies, the United States passed the Bonding Act of 1850.³ By its provisions goods destined for the British Colonies could be shipped through the United States in bond without payment of duty.

It will be seen that this arrangement was particularly favorable to the sea-coast cities, and to the railroads and canals of the United States, while to the Provinces it gave the advantage of accessible ports on the Atlantic coast. This advantage⁴ to the Provinces is the more apparent when

¹ The following articles were free from duty when imported directly from the United Kingdom or from any British North American Province and being the growth, product or manufacture of said United Kingdom or such Provinces, viz:—Animals; beef; pork; biscuit; bread; butter; cocoa paste; corn or grain of all kinds; flour; fish, fresh or salted, dried or pickled; fish-oil; furs or skins; the produce of fish or creatures living in the sea; gypsum; horns; meat; poultry; plants; shrubs and trees; potatoes and vegetables of all kinds; seeds of all kinds; skins; pelts; furs, or tails undressed; wood, viz: boards and planks, staves, timber and firewood. Exempt from duty from whatever country among other articles: ashes, pot and pearl, cotton-wool, trees, shrubs, bulbs, and roots, wheat and Indian corn, manures, all kinds, seeds of all kinds.

12 Vict. Cap. I, Canad. Provincial Statutes 1849.

And 13 and 14 Vict. Cap. 3; July 24, 1850; Canad. Consol. Statutes.

² Foreign Relations, 1872-3; pt. 3; p. 292.

³ U. S. Statutes at large, Cap. 79, Sec. 18; Vol. 9, p. 512.

⁴ "Previous to 1850 by far the largest part of western Canadian trade was done through Montreal and the St. Lawrence, and trade with the United States was very insignificant, but it has been greatly extended by the operation of the Bonding Act of 1850, and by the Reciprocity Treaty." Rep't. of Canadian Commissioners of Public Works, May, 1857, quoted from Hopkins' Canada, p. 340.

we remember that the entire extent of the railroads in the Provinces,¹ fifty-five miles, was in Canada. Her semi-enclave geographical position, hemmed in as she is for one half the year by the ice-bound St. Lawrence, made it imperative that Canada should cross the territory of the United States to get to the sea. This need had indeed been partially provided for by the Bonding Act, which permitted goods to cross the United States into Canada, but an extension of the privilege of sending goods from Canada across the United States to the coast was very desirable. In 1853, this was brought about by a special act, to which the United States government acceded, whereby Canada leased the railroad that ran from Portland, Maine, to Quebec. In this way Portland became the winter port for Canada, as well as a terminus on United States soil of the Grand Trunk railroad, and the Canadian line of steamships came to this port when the St. Lawrence was frozen in winter.² These arrangements united their influence with that of the treaty in producing after 1854 a large volume of trade with Canada and the other Provinces.

The treaty was signed by all the Provinces ; Canada, Nova Scotia, New Brunswick, Prince Edward Island, and Newfoundland, but as the export trade of the United States to

¹ *Miles of railroads built in :—*

	Ont.	Quebec.	N. B.	N. S.	Total.
1847	....	43	....	....	43
1850	....	12	....	....	12
1851	....	22	....	....	22
1853	181	30	....	....	211
1854	225	109	....	....	234
1855	113	83	....	2	198
1856	435	....	....	6	441
1857	65	....	53	14	132
1858	116	....	40	70	226
1859	237	81	35	....	353
	1,372	499	128	92	1,991

Hopkins' Canada, p. 226.

² Hon. A. T. Galt, Canada, 1849 to 1859, p. 26.

Canada was nearly twice,¹ and the import trade from Canada four times² as great as that of all the other Provinces taken together, it will give us a just estimate of the value of the treaty to consider mainly Canada's relation to the United States.

This relation will be best understood by surveying the whole trade of Canada with other countries as well as with the United States. Having already shown what Canada will need to buy, and what she will have to sell, it will be further necessary to follow her imports and exports during the years of the treaty in order to determine to what extent it has tended to develop reciprocal intercourse with the United States.

In 1854, as the map will show, the British North American Provinces were economically divided into two groups. There were (a) the mining and fishing Provinces of Nova Scotia, New Brunswick, and Prince Edward Island, and (b) the agricultural Provinces of Upper and Lower Canada (now Ontario and Quebec).

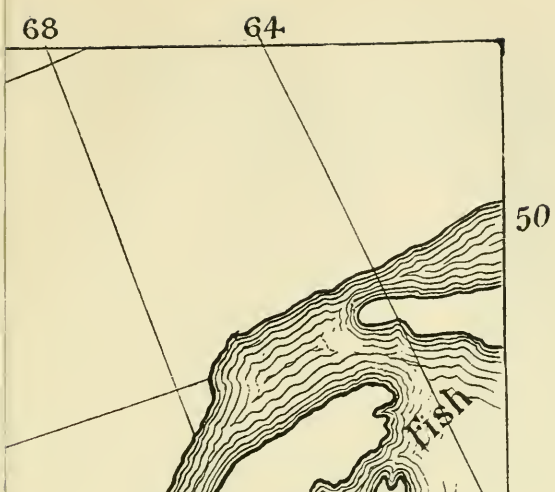
As Goldwin Smith very properly says: "Each several province of the Dominion is by nature wedded to a commercial partner on the south. The Maritime Provinces want to send their lumber, their bituminous coal and their fish to the markets of New England; Ontario and Quebec want to send their barley, eggs and other farm products, their horses, their cattle and their lumber to New York and other neighboring states."³

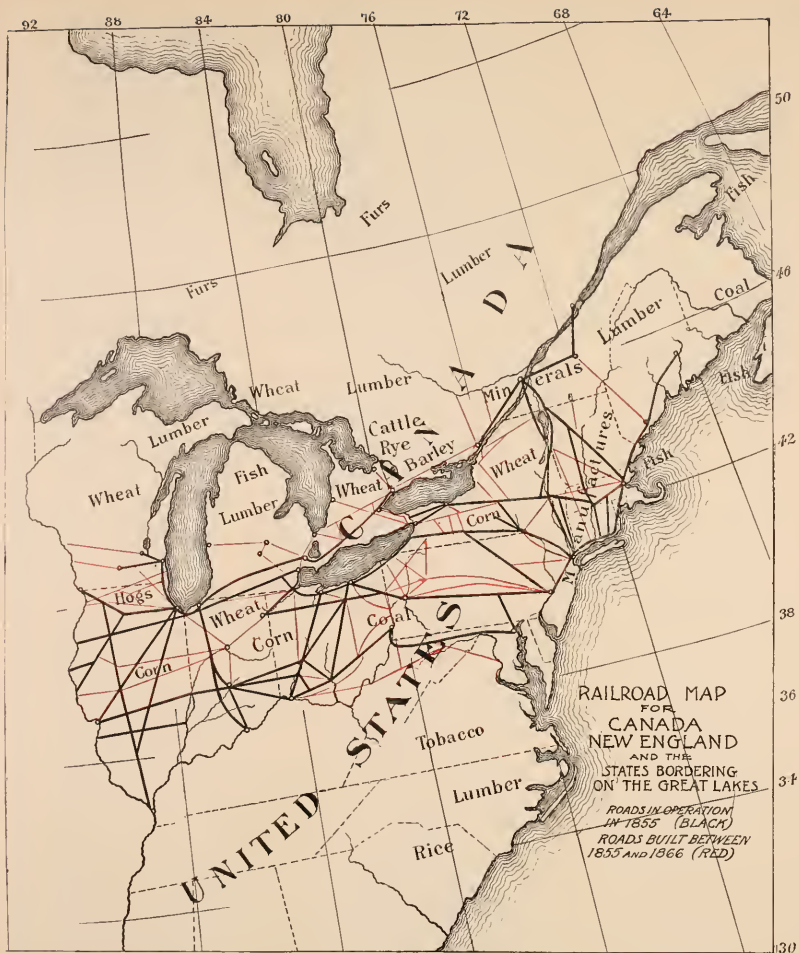
The distances that separate the New England states from the northwestern states, the colonial maritime states from the Canadas, were, as Mr. Smith says in 1891, just as strong an argument in 1854 for reciprocity. The causes that might weaken it would be a later arising of political dissension

¹ U. S. Exports to Canada, 1850 to 1863 were \$198,401,546; to the other Provinces \$101,405,218.

² U. S. imports from Canada, 1850 to 1863 were \$171,161,479; from all other Provinces were \$48,608,941. See Appendix, Table II.

³ Goldwin Smith: *Canada and the Canadian Question*, p. 284.





between the countries north and south of the boundary line, and the increase of transportation facilities east and west. Both of these causes were present in the great strides that railroad building took in Canada and the United States from 1850 to 1865,¹ and in the bitter feelings between Canada and the northern states engendered by her attitude to the North during the Civil War.

Let us consider the exchange that took place north and south in some of the principal articles named in the schedule of free goods provided for by the treaty. The coal trade offers the first example. In arguing for the treaty Mr. Townsend of Ohio, in the House of Representatives,² thus cogently stated these benefits to consumers of coal.

"As fuel is about as much a necessity of life as food, legislation should not compel millions who must have coal to pay exorbitant prices for the benefit of holders of coal stock."

"The great iron industries of Pennsylvania suffer by competition with England not only because labor is cheaper, but because coal is cheaper in England. If the introduction of free coal from the Provinces would make cheaper coal, the iron industries would profit. The eastern manufacturers are equally eager to get cheap coal. Factories that need anthracite coal are lying idle because they cannot import at the high duty the Nova Scotia coal which they find beneficial to use in connection with the coal of Pennsylvania. The anthracite coal of Pennsylvania will not make gas. That of Nova Scotia will."

"Liverpool coal which is very like Nova Scotia coal would be driven from the market. The Nova Scotia and New Brunswick coal is very bituminous, often sixty per cent. volatile. The coal of Pennsylvania is largely anthracite; there will, therefore, be little competition. The British Cunarders that land at Halifax cannot use Nova Scotia coal, but must use Pennsylvania coal at a high price. Free trade

¹ See map.

² Cong. Globe, Vol. 27, pp. 210-211; 32 Cong. 2 Sess.

in coal then would mean an export of coal from Pennsylvania for the provincial needs and imports from the Provinces for special use in Nova Scotia."

This exchange of coal gives a good idea of the geographical relations of the two countries. The coal beds of Ohio and Pennsylvania were too far away (1854-1865) to be useful to the manufacturing New England states, but they were adjacent and easily accessible to Canada. So the Nova Scotian coal was too far off to be of much use to Canada, but was within easy reach of the New England states. Duty being removed by the treaty, trade followed its natural channels.¹

Canada raised comparatively little corn, but nowhere could corn be raised so cheaply as in our western states. During the treaty period there was exported to all the Provinces \$10,680,000 worth of American corn. No return is made in American reports of corn received from Canada, as the item was too small to list separately, but a Canadian source² shows \$39,000 worth imported up to 1863. Most of this corn was sent to Canada to be distilled into whiskey, which was extensively used to soften the rigors and hardships of the Canadian winters in the lumbering camps or on the fishing boats.

Cheap corn made the raising of hogs cheaper in the western states than, perhaps, anywhere else. Pork is the staple article of diet of the lumbermen and of the fishermen, the most numerous of the colonial industrial classes, excepting the farmers.³ Canada raises few hogs and therefore imports pork from the United States. During the period of the treaty, all the Provinces imported from the United States \$14,267,000 worth of pork; for the same time they exported to the United States in meats of all kinds including

¹ For these and figures following, see Appendix, Table III. American coal imported during the Treaty was \$447,000; provincial coal, \$7,085,000.

² Harvey: *The Recip. Treaty*, p. 9.

³ Repts. of Comm. No. 4; p. 15, 32 Cong. 2 Sess.

pork, only \$2,708,000¹ worth. It was argued before the treaty that the duty imposed on this pork in Canada was really paid in the increased price given by the eastern buyer of Canadian lumber,² and that the admission of pork free of duty would lower the price of lumber.

Barley of a peculiar kind and excellence for making beer was raised in Canada that could not be, or was not raised in the United States. Beginning with \$58 worth exported to the United States in 1856, it had reached \$4,093,000 in 1864, and for the entire treaty period was \$9,640,348. In the American returns barley is not separately reported, but a Canadian authority³ gives for both barley and rye \$75,000 imported to Canada up to 1863. This remarkable growth of imports of barley for making beer is probably due to the immigration of the Germans, who began to come from Europe in such great numbers after the Revolution of 1848, and who settled in our northwestern states.

Here then is a further example of what was hoped for from reciprocity. The Canadian raised no corn, but had barley to sell. The American had corn to sell, and wanted to buy barley.

Canada furnished a wool of peculiar fineness that we did not then produce, but which we used in the manufacture of fine fabrics. Freed from duty, this wool was exported to the United States during the treaty worth \$7,367,000; imported from the United States during same period \$1,131,000.⁴

How great our need was of provincial timber and lumber, and how the consumer benefited from the free market, is shown by the fact that during the years of the treaty we imported from the Provinces \$33,600,000 worth of lumber

¹ Sen. Ex. Docs. No. 106; p. 32, 2 Sess. 53 Cong. Vol. 4.

² Repts. of Comm. 32 Cong. 2 Sess. No. 4, p. 15.

³ The Recip. Treaty; Arthur Harvey, p. 9, Statistical Clerk in Finance, Dept. Quebec.

⁴ Sen. Ex. Docs. 53 Cong. 2 Sess. Vol. 3; 1893.

Appendix, Table III.

and timber mostly in planks and board, while we exported to them in that time \$251,000 worth.¹

In butter and cheese there was a more equal exchange. We imported \$4,000,000 and exported \$3,000,000 worth.²

The returns for fish exported and imported show what a valuable market the United States offered for this provincial staple. From 1855 to 1866 the United States exported to the British Provinces \$679,660 worth of fish of all kinds. During the same time the United States imported from the Provinces fish valued at \$16,081,629.³

The trade in wheat and flour is more complicated and is not so germane to the subject of reciprocity, because wheat had been made free before the treaty.⁴

It will be remembered that Canada makes a great wedge-like projection between Lake Huron and Lakes Erie and Ontario into the northern boundary of the United States, so that Canada lies practically between Michigan and New York. Besides this, the St. Lawrence river does not flow east, but almost northeast. This geographical situation made it very natural that wheat gathered up at Chicago, Milwaukee, Detroit, and Toledo from the western states should enter Canadian territory as wheat *exported* from the United States, and reappear at Buffalo as wheat *imported* from Canada, and so travel by the Erie Canal to New York; or, having entered the Canadian canals, appear again at Ogdensburg and Cape Vincent to reach New York by the Champlain Canal and the Hudson river, or Boston and Portland by rail. The difficulty of tracing this wheat was increased by the fact that actual Canadian wheat was added to shipments originally American as it passed through Canadian territory. Much of this American wheat, too, was imported into Canada for the purpose of grinding it into flour which was sent back to the United States as Canadian flour. The Treasury Department of the United States finally

¹ Same.

² Same.

³ Same.

⁴ Canadian Provincial Statutes, 12 Vict. Cap. 1.

passed a regulation prohibiting Canadian flour made from American wheat from being admitted free.

It will be plain from what has been said that the table of total exports and imports, which includes this movement of wheat and flour to and from Canada, will show much larger returns than the consumption of either country would warrant, and that these returns are not reliable for our purpose.

Both Canada and the United States raised much more wheat than they could consume, so that the question of the wheat trade became one not of consumption, but of competition in the carrying trade, especially to England. As our ocean freights to Europe were cheaper¹ than those of the Provinces, this vast stream of wheat from Canada and our western states so gorged our canals that it was declared in Congress that any delay at the locks piled up great quantities of merchandise at either terminus, and gave the canal always the appearance of a busy street crowded with vehicles. This traffic was bound to be a great stimulus to other branches of commerce, but it is undeniable that the interests which most benefited by the treaty, throughout, were the canal, railroad, and shipping interests.

During the treaty period the United States sent, ostensibly to Canada, really through Canada to other ports, \$33,000,000 worth of wheat and \$45,000,000 worth of flour. Canada in the same time sent apparently to the United States, though really through the United States elsewhere, \$29,000,000 worth of wheat, and \$28,000,000 worth of flour. The question was largely, as I have said before, which country should furnish the best means of transportation from the wheat field to the foreign markets.

In the record of prices² for these commodities and others in the free list, given for the time the treaty lasted, it is interesting to notice that, opposed to influences that tend to sustain prices, the effect of the treaty was not pronounced enough to cause prices to go down. This was possibly due

¹ Foreign and Domestic Commerce, 1864, p. 102.

² Appendix, Table IV. Price in New York.

to the fact, that except for wheat and lumber, Canada and the Provinces did not throw commodities upon the market in sufficient quantities to affect the market price.

Much had been hoped by the American shippers from the free navigation of the St. Lawrence river and the canals. Before the treaty was signed, it had been confidently predicted¹ that if the St. Lawrence, the great natural outlet from the Great Lakes to the ocean, could be freed from restrictions upon its navigation, an immense commerce would be borne upon its waters from the lake ports to Liverpool and to European markets. It was further urged,² that when the ice closed the navigation of the Great Lakes in winter, vessels lay idle at the wharves, and capital unemployed, until navigation re-opened in the spring. With freedom to use the St. Lawrence as a highway, it was thought that an American vessel could load at any port on the Great Lakes with wheat, corn, pork, and other provisions, the products of the western states, carry them to Halifax or St. Johns, make coasting trips on the Atlantic seaboard while the St. Lawrence was closed, and in the spring return to the lake ports with a cargo of sugar and molasses from the West Indies, or wheat from the Maritime Provinces. All this was made possible by the provisions of the treaty.

When the treaty was first put into operation, it worked without friction, and foreign trade began to leave the St. Lawrence river route for the more convenient one across the United States.

¹ Repts. of Comm. 32 Cong. 2 Sess. H. Rep. No. 4; pp. 85 and 86. Mr. Buell's Rept. on Free Navigation of St. Lawrence (May 2, 1850).

"The free navigation of the St. Lawrence is only necessary to show us, in the fall of every year, long lines of vessels seeking the Atlantic, through Canada, laden with western produce, and in the spring making their way back with foreign wares, and with the avails of profitable labor for nearly half a year." Repts. of Comm. 2 Sess. 37 Cong. Vol. 3. Ward's Rept., p. 15.

² Same, p. 86.

In 1854, the year before the treaty, the value	
of imports via the St. Lawrence was	\$21,000,000
of exports via the St. Lawrence was	12,000,000
	<hr/>
Total trade was	\$33,000,000

In 1855, the year after the treaty, the value of	
imports via the St. Lawrence decreased to \$11,000,000	
Exports to	7,000,000
	<hr/>
Total trade	\$18,000,000
 Total trade 1854	 \$33,000,000
Total trade 1855	18,000,000
	<hr/>
Decrease	\$15,000,000

This difference was transferred to the carrying trade of the United States, which rose at the same time from \$25,000,000 to \$40,000,000.¹

Thus, in spite of the efforts made by Canadian legislation² to bring about that result, the expectations of the American grain carriers that the St. Lawrence would come to compete with the Erie Canal for their trade was not realized. The accompanying table³ shows that from 1855 to 1863 but forty-four American vessels cleared from lake ports for Europe, and thirty-three returned. This number is insignificant in amount when compared with the tonnage on the Great Lakes for a single year. During 1857, for example, one hundred and nine Canadian vessels cleared from the port of Chicago alone. There seems no doubt that the effort to divert American trade into this new channel was a failure. Canadian shippers had so long held the monopoly of this

¹ Repts. of Committees No. 22, p. 26 ; 37 Cong. 2 Sess. 1861-2.

I have not been able to verify these figures further than as they coincide with the tables given in the Appendix, though I have no doubt that they are correct.

² Foreign and Domestic Commerce 1864, p. 100.

³ See Appendix, Table IVa.

trade, that there seems to have been but little competition for it. To what extent they traded with England, in American products, by way of Lake Michigan, is shown in the report of the American Consul at Montreal in 1864, who says :

“Under the treaty Canadian vessels have free access to the ports on Lake Michigan, and land their cargoes at the ports of Chicago and Milwaukee under the same restrictions only as apply to American vessels. These vessels bring back wheat, beef, pork, lard, and other merchandise which will bear shipment to England. With wheat many of the mills of Canada are stocked, and although flour manufactured from American wheat cannot go to the markets of the United States free, much of the flour finds its way there under Canadian brands without payment of duty. The beef, pork, lard, hams, etc., are here reshipped in British vessels to Liverpool, and these vessels bring for return cargo tea, and other East Indian goods, and from this point (Montreal) they are distributed to the West in Canadian vessels; to Boston via the Grand Trunk railroad; to Portland, thence to Boston, and to New York via Lake Champlain in Canadian vessels to Whitehall, thus giving them monopoly of the carrying trade both ways.”

The benefit to American commerce from freedom to use the Canadian canals was much greater. The use of the Welland Canal around the Niagara Falls was especially beneficial to the grain trade on the Great Lakes. From 1854 to 1859, of all the vessels upon the canals¹ from one-third to one-fourth were American. Beginning with 1859, however, the number of American vessels dropped to about one-eleventh of the number of Canadian vessels. This falling off in the number was probably due in part to the depressing influence upon American trade with Canada

¹ See Table V in Appendix, of vessels on all the Canadian canals from 1854 to 1864.

brought about by the Canadian tariff acts of 1858 and 1859. These will be considered later.

Under an enactment of 1860, if vessels and goods having paid toll on the Welland Canal entered the St. Lawrence canals, or any Canadian port, all except ten per cent. of the Welland charges were refunded. Besides this, a free passage was given through several of the canals on the St. Lawrence. It was maintained¹ that this refunding of charges to vessels proceeding down the St. Lawrence, was a discrimination of ninety per cent. against the lake ports of northern New York, as well as against the Lake Champlain and Hudson river routes. While its intention seems to have been to influence the course of western trade to follow the St. Lawrence, and thus to benefit Canada, this enactment cannot be urged as an infringement upon the treaty, for it was, as Sir Edmund Head says,² a movement toward greater freedom of trade. Just here it must be remembered that the clause in the treaty relative to making an effort to have the various states open their canals to Canadian vessels had remained a dead letter. From whatever motives the enactment was made, it seems to have operated against the use of the Canadian canals by American vessels in the same proportion as before. The table shows in 1860, and 1861, for every 12,000 Canadian vessels, only 2,000 American vessels, and in 1863, and 1864, it is 2,000 American vessels for every 15,000 Canadian vessels.

Another cause for dissatisfaction arose from change in the Canadian tariff. In a perfectly legitimate effort to divert into Canadian channels the trade coming from the western states, Canada had burdened herself with an enormous debt of \$43,000,000 in improving her canal system, and in extending her railroads. The expected volume of trade did not follow this venture, at least not at once, and Canada, compelled by a series of misfortunes and obliga-

¹ Ward's Rept., p. 12; Repts. of Comm. 2 Sess. 37 Cong., Vol. 3.

² July 26, 1860.

tions,¹ was obliged to find an immediate means for raising revenue. For this purpose an increased duty was levied on American manufactured goods beginning with the Customs Act of 1858.²

The result of this policy by the Canadian government could not fail to have an adverse effect upon the exports of United States manufactures to Canada. Due to this cause alone, apparently, the export of manufactured goods shows a steady decline from the time these laws were put into operation. During the year 1858-59, the United States exported to Canada \$4,185,516 worth of American manufactures paying duty. In 1859-60, \$3,448,114 worth; in 1860-61, \$3,501,642 worth; in 1861-62, \$2,596,930 worth; and in 1862-63, \$1,510,802 worth. The table³ does not extend beyond 1863, but it shows sufficiently well the falling off in the movement of American manufactured goods to Canada.

¹ "The indirect public debt of Canada, including railway advances, in 1858, was \$6,271,762 bearing six per cent. interest, which, prior to 1857, had not been a charge upon the revenue. In that year, owing to the commercial crisis it became necessary to make large payments upon it and, in 1858, almost the whole amount had to be met from the general revenue. In addition to the commercial depression, the harvest of 1857 was below an average, and that of 1858 was nearly a total failure. It became manifest that the indirect debt must for many years be a charge upon the country, and Parliament was required to make provisions for it. The interest on the public debt, direct and indirect, thus required in 1858 was \$636,667; and without flagrant breach of faith it could neither be postponed nor repudiated. The pressure had come suddenly and heavily upon the people of Canada; but neither the Government nor the Legislature hesitated in making such provision as in their judgment would meet the exigencies. The Customs Act of 1858 was therefore passed, and subsequently, with the same objects in view, others. The Customs Act of 1859 was also passed."

A. T. Galt, *Canada, 1849-1859*; pp. 34-35.

² Report of Committees, Vol. 3; No. 22, 37 Cong. 2 Sess. 1861-62. See Appendix, Table X.

³ Foreign and Domestic Commerce, Rept. of Treasurer, 1864.

Still more vital than the high tariff to the interests of the American trade was the adoption in the Canadian Customs Act of 1859, of the *ad valorem* principle of levying duty. It was the avowed intention of Hon. A. T. Galt,¹ the Canadian Minister of Finance, by extending this principle to all dutiable importations, to raise revenue and to further and develop the direct trade between Canada and all foreign countries by sea and thus, he declares, to benefit the shipping interest of Great Britain.

This object was attained by taking duty on the value in the market where the goods were last bought. That is to say, goods of foreign production sold in the United States to Canadian merchants would have to pay duty at the Canadian frontier on the original cost of the article plus shipping and freight charges, as well as the United States customs charges.²

Mr. Galt states further,³ "The levy of specific duty for several years had completely diverted the trade of Canada in teas, sugars, etc., to American markets, and had destroyed a very valuable trade which formerly existed from the St. Lawrence to the lower Provinces and West Indies. It was believed that the completion of our canal and railroad

¹ A. T. Galt, Canada; 1849-1859, p. 36.

² The Canadian tariffs are chiefly levied *ad valorem* on the invoice values of goods at the point of purchase for importation into Canada, whether that be in the United States or in Europe, and the consequence is a practical difference against purchasing in the United States, which increases with every accession to prices here, and has now attained to the full nominal measure of the duty levied.

The increase in the price of fabrics, caused by the successive tariff acts of the United States and by the internal duties, has steadily increased this difference, in connection with the higher rates of *ad valorem* duty levied in Canada until it now amounts very nearly to a prohibition of purchases in the United States of duty-paying articles. A duty of twenty per cent. on invoices made in England can scarcely fail to amount to two such percentages when the same or similar goods are purchased in the United States, simply through the duplication of prices attained here.—Foreign and Domestic Commerce, 1864, p. 104.

³ Canada, 1849-1859, p. 36.

systems together with the improvements in the navigation of the Lower St. Lawrence justifies the belief that the supply of Canadian wants might be once more made by sea and the benefits of this commerce obtained for our own merchants and forwarders." The results of the application of the *ad valorem* principle and the tariff of 1858 and 1859 on the imports from the United States of manufactured goods, and goods of foreign production, is shown in Diagram I. This diagram shows the course of importations of foreign and manufactured goods into Canada from Great Britain (solid line) and from the United States (dotted line).

Following the panic year of 1857, the imports from Great Britain fall in 1858 to \$11,000,000, and then gradually increase to \$17,500,000 in 1864. Those from the United States also fall after 1857, to \$8,500,000 and then gradually decrease to \$4,000,000 in 1864. A corresponding, though not so striking a result, is obtained by plotting the importations of foreign productions reaching Canada by the St. Lawrence, and through the United States. This is shown in Diagram II. Here the importations by way of the St. Lawrence (solid line) from \$11,000,000, in 1858, increase to \$18,500,000 in 1865. Similar importations reaching Canada through the United States, shown in the diagram by the dotted line, from \$13,500,000, in 1858, decrease to \$9,500,000 in 1865.

Diagrams I and II indicate that trade between Canada and foreign countries, mainly England, has been increasing since 1858, while that of Canada with the United States has been decreasing; and that the route by the St. Lawrence river for importations of foreign goods is being officially favored at the expense of the American railroads and canals, as well as at the expense of American merchants. Diagram III shows the exports of Canadian goods, mainly natural products, to Great Britain (solid line), and to the United States (dotted line). The export trade of Canada to the United States shows a gradual rise from \$11,500,000 in 1859, to \$20,500,000 in 1865. The trade to Great Britain

I.

GRE A

1860

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8,526

papers 18

TABLE FOR DIAGRAM I.

VALUES¹ OF MANUFACTURED GOODS IMPORTED INTO CANADA FROM GREAT BRITAIN AND FROM THE UNITED STATES.

Goods paying specific duties	1853		1856		1857		1858		1859		1860		1861		1862		1863		1864		Goods paying specific duties	
	Great Britain	United States	Great Britain	United States	Great Britain	United States	Great Britain	United States	Great Britain	United States	Great Britain	United States	Great Britain	United States	Great Britain	United States	Great Britain	United States	Great Britain	United States		
" and advalorem	£91,877	\$566,728	£150,144	\$1,334,705	£104,328	\$1,237,816	478,035	4,664,530	164,218	\$2,344,078	\$13,337	\$65,278	\$10,889	\$7,007	74,364	13,708	15,067	46,450	21,094	\$4,509	" and advalorem	
" " 100%	"	"	"	"	"	"	"	"	57,833	9,555	"	"	"	6,473	1,870,252	2,292,495	1,486,038	1,155,143	909,566	1,333,073	" " 100%	
" " 40%	"	"	"	"	"	"	"	"	31,447	109,300	"	"	"	31,028	"	"	"	"	"	"	"	" " 40%
" " 30%	"	"	"	"	"	"	"	"	317,123	2,615,151	"	"	"	"	"	"	"	"	"	"	"	" " 30%
" " 100%	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	" " 100%
40%	"	"	"	"	"	"	"	"	"	"	"	"	54,611	"	57,409	3,158	36,174	3,480	"	"	"	" " 40%
10	11,837	28,241	"	"	"	"	"	"	"	"	204,141	2,509,420	4,158	"	78,450	5,496	26,302	"	"	"	"	" " 10%
25	"	"	"	"	"	"	"	"	1,040,772	1,407,914	"	"	1,608,511	1,260,170	112,795	273,180	99,856	108,380	88,518	64,347	"	"
50	1,268	12,431	12,001	11,179	39,187	112,633	8,645,762	3,417,674	3,398,304	12,350,795	3,070,805	"	"	112,692	84,588	13,573	54,639	101,163	70,121	5	"	
75	"	"	1,470,711	1,581,311	1,241,979	1,127,809	"	"	11,305,872	"	79,044	1,741,283	477,840	477,181	422	2,118	741	1,022	1,340	1,174	"	
12½	2,108,692	1,103,201	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	
20	"	"	"	"	"	"	"	"	1,511,012	602,060	1,632,282	706,094	1,427,896	864,308	1,516,387	283,995	1,727,815	230,088	1,014,148	317,511	"	
40	"	"	543,702	155,152	44,091	77,317	7,238,118	304,343	"	"	"	"	"	"	"	"	"	"	"	"	"	
75	797,006	807,104	"	"	537,657	136,049	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	
1, £1,600,500)	(£1,001,240)	(£4,185,681)	(£3,797,730)	(£1,951,200)	(£2,491,564)	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	"	
\$17,531,168	\$4,135,585	\$20,031,286	\$15,125,104	\$18,955,360	\$11,370,609	\$11,361,015	8,463,697	11,503,667	9,030,861	14,129,408	8,516,130	13,631,027	7,047,077	15,070,134	6,122,121	16,774,609	3,069,027	17,715,775	3,086,278	"		

¹ Compiled from Canadian Sessional Papers 1853-1865.

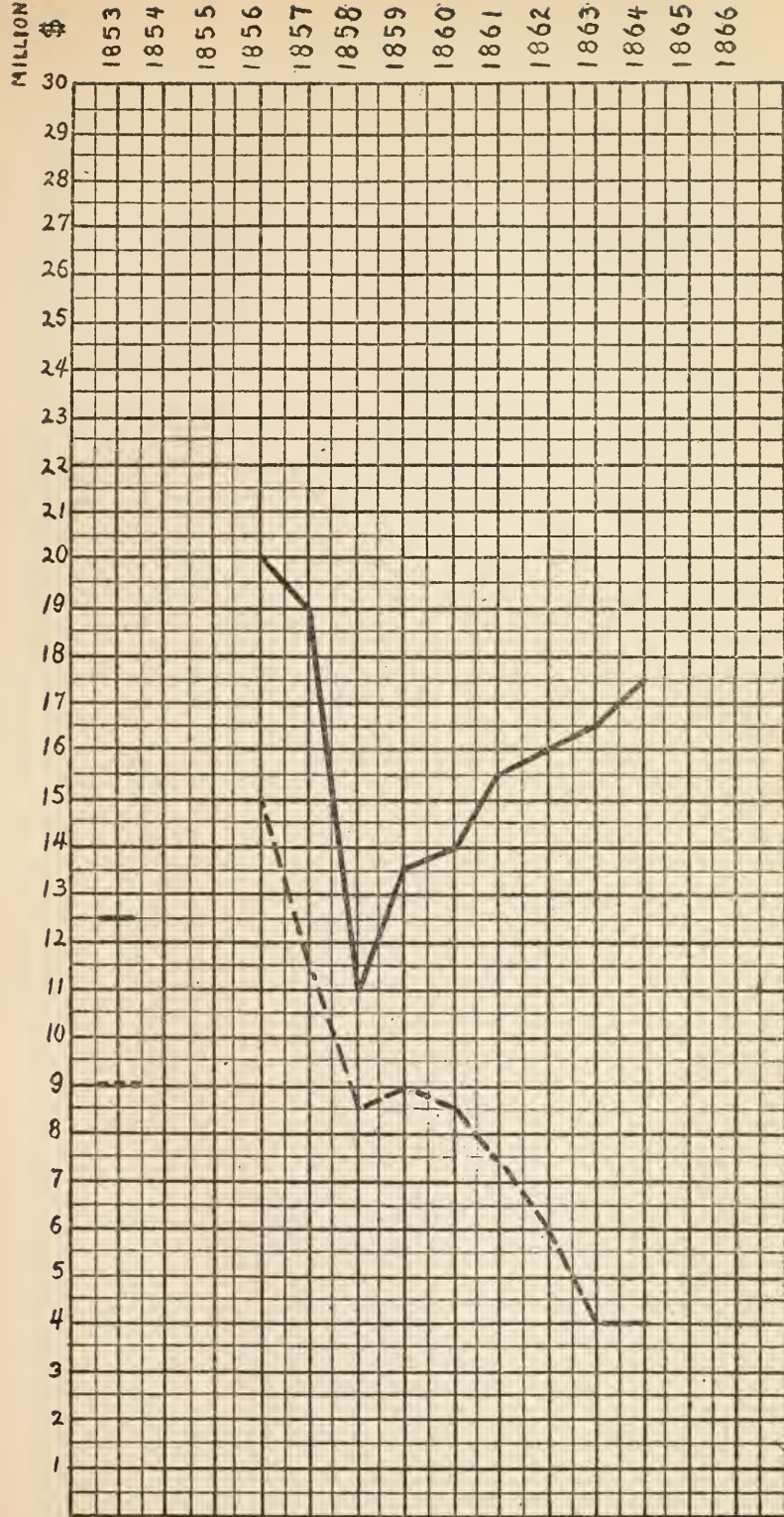


DIAGRAM I

TABLE FOR DIAGRAM II.

GOODS OF FOREIGN PRODUCTION DESTINED FOR
CANADA AND THE UNITED STATES IMPORTED
VIA THE ST. LAWRENCE RIVER.¹

	Values of goods destined for Canada.	Values of goods in transit for the United States.
1853	\$21,864,353	\$1,257,556
1854	24,811,713	594,388
1855	13,711,214	21,614
1856	18,367,041	17,190
1857	17,153,710	210,545
1858	10,768,161	26,916
1859	11,472,754	76,314
1860	13,548,665	21,505
1861	16,726,541	522,514
1862	17,601,019	490,298
1863	16,439,930	515,245
1864	6,411,591 ½ year.	282,667
1865	18,828,495	289,685

GOODS OF FOREIGN PRODUCTION DESTINED FOR
CANADA PASSING THROUGH THE
UNITED STATES.²

	Goods passing through the U. S. in bond.	Goods purchased in U. S. in bond free, or having paid duty.	Total values in dollars passing through the U. S.
1854	£1,367,770	£ 674,054	\$ 9,800,755
1855	1,115,943	811,135	9,239,974
1856	1,231,730	1,279,779	12,055,243
1857	1,395,660	947,579	11,247,547
1858	\$2,057,024	\$1,444,742	13,501,766
1859	4,546,491	5,351,865	9,898,356
1860	3,041,877	4,650,654	7,692,531
1861	5,688,952	4,927,962	10,616,914
1862	5,508,427	4,045,080	9,553,507
1863	6,172,483	2,821,601	8,994,084
1864	7,925,177	1,489,098	9,414,275 ³
1865	6,511,771	3,103,430	9,615,201

¹ Compiled from the annual reports of the Canadian Commissioner of Customs.

² Compiled from annual reports of R. S. M. Bouchette, Canadian Commissioner of Customs.

The difference between these figures and those given in *Foreign and Domestic Commerce* appears only in the value given to the pound stg. I have taken it to be \$4.80; the government report seems to have made it equal to \$4.00.

³ An apparent misprint in the Canadian reports gives this as the value for ½ year.

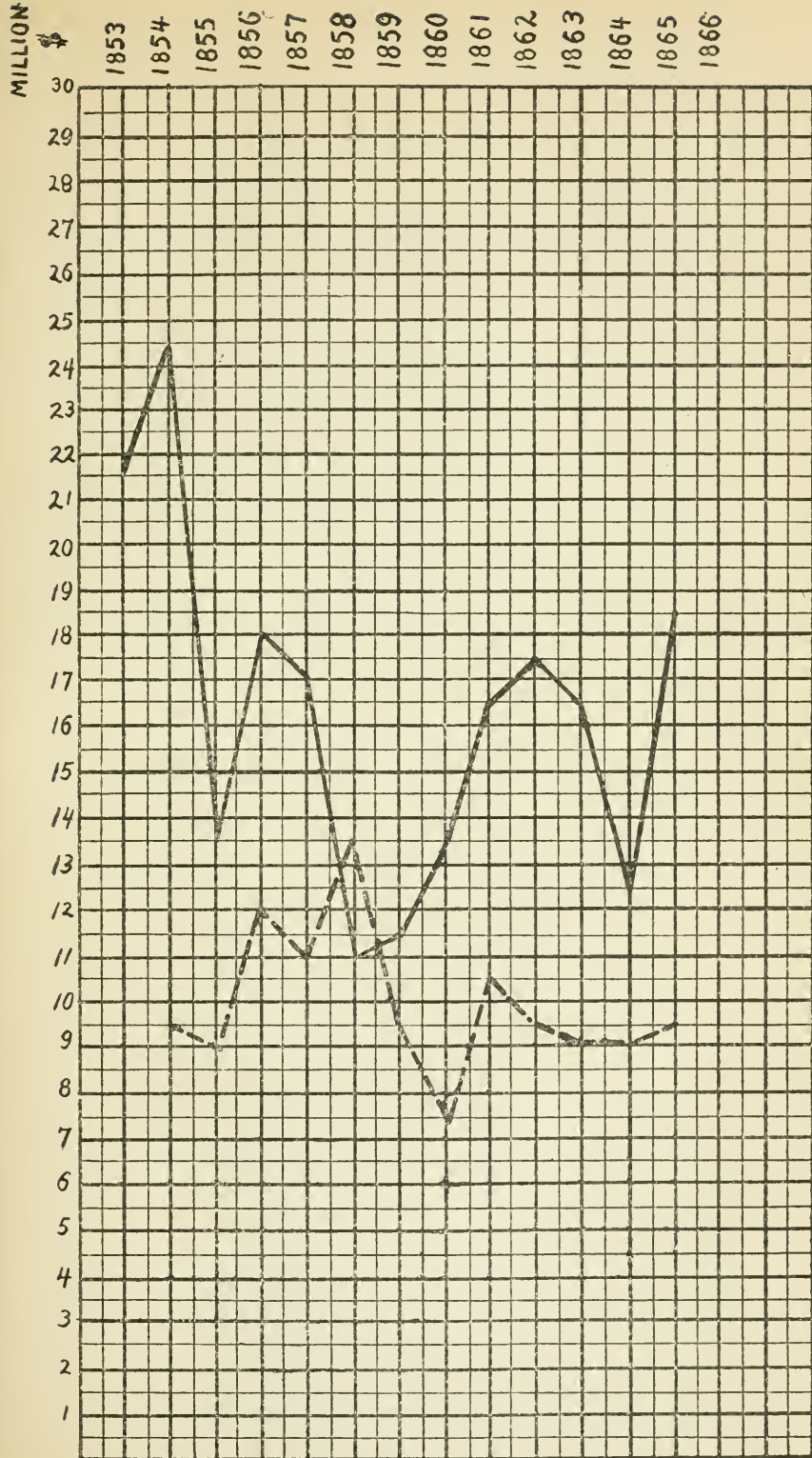


DIAGRAM II

TABLE FOR DIAGRAM III.
TABLE¹ SHOWING THE VALUE AND CHARACTER OF GOODS EXPORTED BY CANADA.

Cal. year.	Natural products.		Manufactures.		Other articles.		Total exports to all countries. ²	Total imports from all countries.
	Great Britain.	United States.	Great Britain.	United States.	Great Britain.	United States.		
1849	\$ 6,448,678	\$ 3,812,874						
1850	5,829,821	4,224,318						
1853	6,821,731	7,367,913	\$ 14,625	\$ 72,444	\$ 11,424	\$ 101,040	\$ 15,606,686	\$ 38,377,707
1854	10,769,184	9,535,064	4,209	121,393	8,193	59,184	23,394,871	48,635,188
1855	10,854,374	10,103,472	3,211	40,108	2,286	40,108	22,849,267	43,404,401
1856	6,548,462	19,809,720	69,576	213,672	4,022	82,272	28,444,680	52,301,260
1857	10,975,286	21,338,308	127,761	191,458	25,344	32,016	34,310,243	46,316,715
1858	12,460,675	15,493,156	140,078	239,280	21,547	115,267	28,980,376	29,078,527
1859	8,080,530	11,656,769	64,791	175,083	9,650	98,242	21,285,925	33,555,161
1860	7,340,589	13,624,467	205,058	196,801	5,893	101,046	22,677,160	34,447,935
1861	11,716,863	18,095,399	275,002	206,114	8,758	126,405	31,522,964	43,054,836
1862	17,281,435	13,971,795	90,315	143,251	4,362	146,381	33,061,255	48,600,633
1863	14,001,612	14,535,359	48,715	.....	6,665	227,059	33,511,620	45,964,493
1864	14,904,058	17,573,999	203,197	542,289	6,700	310,603	35,374,586	49,753,467
1865	12,257,727	20,506,718	477,478	469,172	20,079	304,460	35,996,134	44,620,469
1867	12,200,388	22,051,764	186,200	459,391	48,878	347,929	39,471,028	59,048,987

¹ Compiled from annual reports in Canadian Sessional Papers.

² Not including coin and bullion.

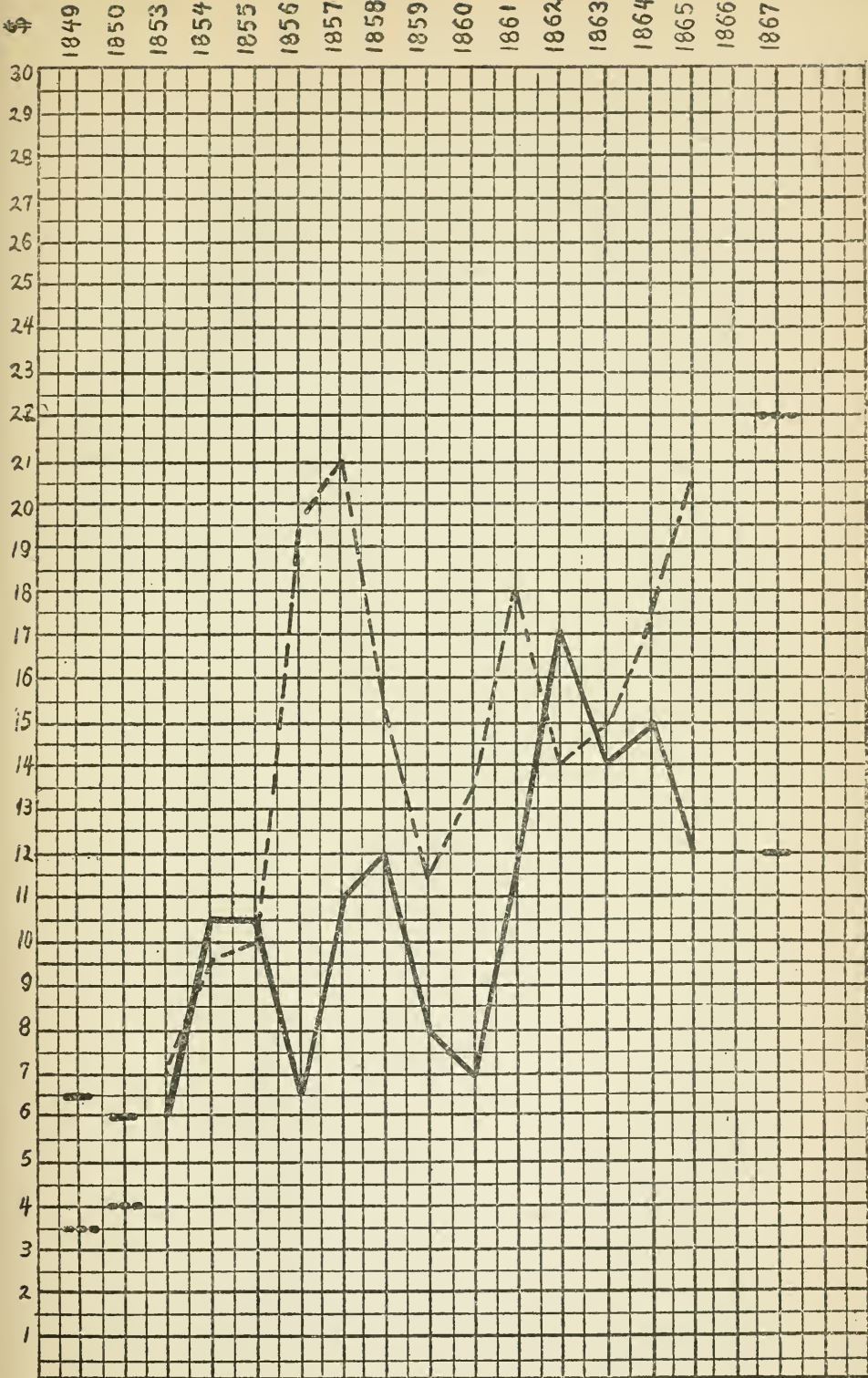


DIAGRAM III.

TABLE FOR DIAGRAM IV.

VALUE OF GOODS IMPORTED FREE UNDER THE RECI-
PROCITY TREATY FROM CANADA INTO THE
UNITED STATES, AND FROM THE
UNITED STATES INTO
CANADA.

Fiscal year ending June 30.	Value of goods imported from Canada. ²	Value of goods imported from the United States. ¹	Calen- dar year.
1854	.....	\$ 697,968	(7 mos.)
1855	.....	9,270,686	
1856	\$15,959,850	9,699,384	
1857	16,731,984	10,370,448	
1858	10,900,168	5,564,615	
1859	12,307,371	7,106,116	
1860	16,218,767	7,069,098	
1861	16,327,824	9,980,937	
1862	14,295,562	14,430,626	
1863	12,807,354	12,339,367	
1864	23,000,000 ³	4,875,630	(½ yr.)
1865	25,602,561	9,131,641	

¹ Annual reports of Canadian Commissioner of Customs.

² U. S. Foreign and Domestic Commerce, 1864, p. 93, and U. S. Commerce and Navigation, 1864 and 1865.

³ Estimated. 1864, \$27,051,130 for Canada and the other Provinces; 1865, \$4,967,107 for the other Provinces not including Canada, Imports from Canada taken to be equal to the difference.

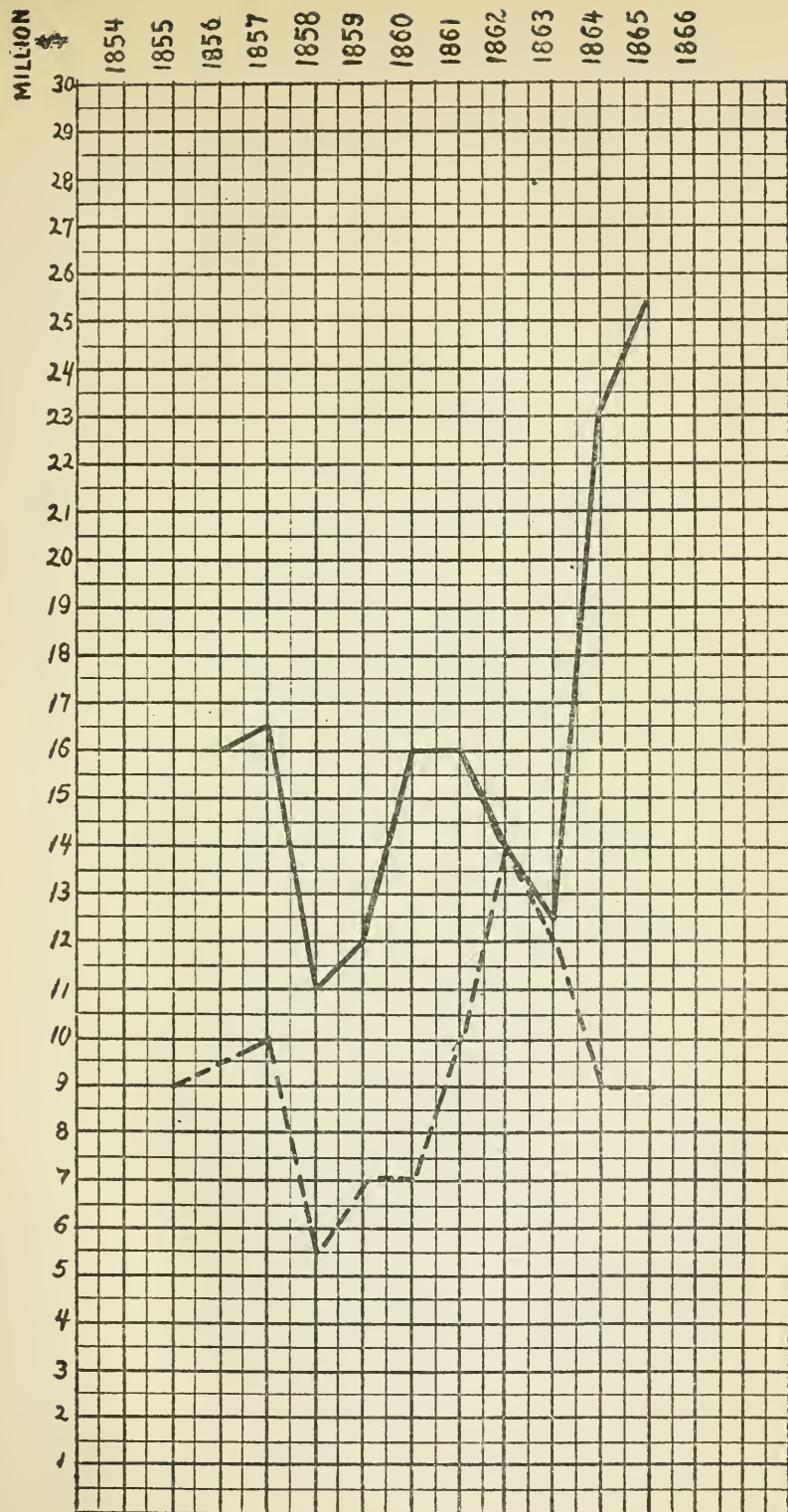


DIAGRAM IV

rises from \$8,000,000 in 1859, to \$17,000,000 because of unusual shipments of grain in 1861 and 1862, and falls by 1865 to \$12,000,000. This tendency of Canada to export her natural products to the United States rather than elsewhere is further shown in Diagram IV. This diagram indicates the exports of goods free under the Reciprocity Treaty, (*natural products*,) from Canada to the United States (solid line), and from the United States to Canada (dotted line). In 1858, following the panic year 1857, Canada exported to the United States \$11,000,000 worth of free goods. This export had reached \$25,500,000 worth in 1865. In 1858, the United States exported to Canada \$5,500,000 worth of free goods. In 1862, due to the large shipments of grain referred to in connection with Diagram III, the exports of free goods by the United States and Canada are equal. From \$14,000,000 for this year the exports of the United States fall to \$9,000,000 in 1865. Diagrams III and IV indicate that Canada is disposing of the bulk of her products in the markets of the United States. Diagrams I, II, III, and IV now taken together show that Canada from the year 1858 to the end of the treaty was tending more and more to buy her foreign and manufactured goods from England, and to sell her own natural products to the United States.

The demand for most of these natural products we ourselves could not meet, and as we paid very nearly the usual prices, there is reason to think that, except for the advantage of paying for a limited amount in kind, the volume of our imports would have been much the same without a treaty. The balance of trade against us here was paid to Canada by England, to be sure, in manufactured goods, for an equivalent amount of English imports from the United States; but this was not the reciprocity aimed at in the treaty.

CHAPTER III.

The Circumstances which Led to its Abrogation.

It must of course be remembered that the years 1863, 1864, and especially 1865, of our Civil War produced abnormal conditions; and in judging the trade returns, we must keep in mind the fact that we are not viewing conditions that would have prevailed in times of peace, yet these were the conditions that did exist, when the treaty period was drawing to a close, and the question of renewing it was under discussion in Congress.

The unfriendly and even hostile attitude of Canada towards the northern states during the war was hardly touched upon in the debates on the subject in Congress, although this attitude produced its effect upon the minds of the people at large in still further increasing the dissatisfaction with which most Americans had come to regard the treaty. The position taken by Canada was not distinguished by them from the unfriendly attitude of England toward the Union. The utterances of the English and Canadian newspapers; the precipitate sending of English troops to Canada when the United States had not yet decided as to the surrender of Messrs. Mason and Slidell after they had been taken from the British mail steamer *Trent*; the raid into Vermont by a band of southern sympathizers, asyllumed in Canada, who looted the bank at St. Albans, killed an American citizen, and found a safe refuge on British soil; the destruction wrought upon our commerce by English-built privateers; all these circumstances tended inevitably to increase the feeling that a treaty, which had given to Canada manifestly greater advantages than it had given to the United States, should not be prolonged under its existing form.

Yet in spite of this feeling of restiveness, under the then unsatisfactory condition of an arrangement that had tended to promote mutual comity and good-will, that had aimed at securing peaceful intercourse with our northern neighbor,

and that had conferred so many undoubted benefits upon both countries, it is very doubtful whether the treaty would have suffered a complete overthrow in Congress, rather than an extension of its provisions, had it not been for the pressing need for revenue that faced our government at the close of the war.

The treaty had, by 1864, "released from duty a total sum of \$42,333,257 in value of goods of Canada, more than of goods the produce of the United States."¹ The debt of the United States June 30, 1865, was \$2,682,593,026;² the balance in the United States Treasury July 1, 1865, was \$858,309,³ a condition which made the need of revenue imperative. There existed a feeling that the American producer should not be loaded with taxes, while at the same time the Canadian producer who competed with him, contributed nothing to the revenue of our government. But according to prevailing sentiment⁴ in the Senate one reason

¹ Foreign and Domestic Commerce, 1864, p. 93.

² Rept. of U. S. Treasurer, 1865, p. 19.

³ Same, p. 18.

⁴ Senator Cowan (Pennsylvania), p. 233 ; Cong. Globe, 1864-5 ; pt. 1.

I am in favor of the proposition before the Senate (*to terminate treaty*); and I am in favor of it for this single reason, that I have discovered that by this treaty we have been deprived of our power of taxation over the products of our own country for revenue purposes.

Senator Chandler (Mich.), p. 230 ; Cong. Globe, 1864-5 ; pt. 1.

The citizens of Michigan are largely taxed for the support of this government, taxed directly and indirectly ; taxed upon their income, and upon their products, and upon their consumption ; taxed in every way ; while the inhabitants of Canada raise precisely the same articles, are engaged in the same business, and send their products here to compete with ours without contributing one dollar to the support of this government.

Senator Sherman (Ohio), p. 209 ; Cong. Globe, 1864-5 ; pt. 1.

It is manifest . . . that while we maintain our present system of internal taxation, the reciprocity treaty is a direct benefit to the Canadian producer, farmer, and mechanic, and it is a discrimination against our own farmers and mechanics. It seems to me therefore for this reason alone, if there were no other, that this treaty ought to fall.

Senator Sumner (Mass.), Cong. Globe, p. 207 ; 1864-5 ; pt. 1.

In every direction we are now turning for subjects of taxation, our own people are contributing in every way largely. Commerce, manu-

alone, that it hampered the raising of revenue, was sufficient for the treaty's abrogation.

In the House of Representatives there had been a feeling that the treaty should be abrogated on account of its unequal operation. This is shown in the wording of the House Resolution¹ (No. 56) which passed the House² and reached the Senate in this form:³

factures in every form are obliged to come to the assistance of the country. I know no reason why the large amounts enfranchised by this treaty should enjoy the immunity which has been thus far conceded them.

Senator Morrill (Maine), *Cong. Globe*, p. 229; 1864-5; pt. 1.

I believe . . . that whatever may be said in favor of the treaty, that the principle on which it started, that of reciprocity, has been sacrificed and does not hold good to-day; for this reason alone, it is proper to give notice. . . .

It seems by our peculiar circumstances to have been rendered absolutely necessary by the emergency of public affairs to lay an internal revenue, and this treaty interferes with that, and this renders its termination almost absolutely necessary.

Senator Doolittle (Wisconsin), *Cong. Globe*, p. 232; 1864-5; pt. 1.

. . . I believe that our new revenue system, which has been forced on us by the necessities of our position growing out of this war absolutely demands that this treaty should be abrogated.

Senator Richardson (Illinois), *Cong. Globe*, p. 234; 1864-5; pt. 1.

If the times now were such as they were when the treaty was negotiated, I should not regard it of very much importance either one way or the other. I apprehend that the great difficulty that has arisen in this case has arisen in consequence of our recent laws for raising internal revenue, and that is all there is to the whole case, I think. If there is anything beyond that I have not been able to perceive it. If things were now as they were when the treaty was made, I do not believe I should give my vote to give the notice. But a change of circumstances has made it necessary, in my opinion, to terminate the treaty.

¹ For history of this resolution, and debate upon it in the House of Representatives, see *Congressional Globe* 1863-4; pp. 9, 19, 1371, 1387, 2298, 2333, 2364, 2452, 2453, 2476, 2482, 2502, 2508.

² House Resolution No. 56 passed the House, Tuesday, December 13, 1864. Yeas, 85; nays, 57; not voting, 40.

Six of the members not voting, recorded their votes in affirmative upon news that the St. Albans raiders had been released by the Canadian courts for want of jurisdiction.

³ *Cong. Globe*, p. 96; 1864-5; pt. 1.

Whereas . . . nearly all the articles which Canada has to sell are admitted into the United States free of duty, while heavy duties are now imposed upon many of those articles which the people of the United States have to sell, with the intention of excluding them from the Canadian markets; . . .

Resolved, by the Senate and House of Representatives of America in Congress assembled—that the President of the United States be, and he is hereby authorized and requested to give to the government of the United Kingdom of Great Britain and Ireland the notice required by the fifth article of the reciprocity treaty of the 5th of June 1854, for the termination of same.

This was amended on motion in the Senate by Mr. Sumner¹ to read:—

Whereas it is provided . . . that this treaty shall remain in force for ten years from the date at which it may come into operation, and further until the expiration of twelve months. . . . And whereas further, it is no longer for the interests of the United States to continue the same in force: Therefore

Resolved: . . . That notice be given of the termination of the reciprocity treaty, according to the provisions therein contained for the termination of the same; and the President of the United States is hereby charged with the communication of such notice to the Government of the United Kingdom of Great Britain and Ireland.

This was the form in which the resolution was finally passed. It shows that the Senate was not willing to have the abrogation of the treaty rest upon the generally accepted objections to it.

The only considerable argument offered against the resolution to terminate the treaty came from Senator Howe of Wisconsin, that to cut off the trade of the United States

¹ Cong. Globe, 1864-5, pt. 1, p. 96.

was a very improper way to make them better able to pay taxes.¹ This objection was met by the reply of Senator Chandler of Michigan,² that a great part of that trade with Canada was a carrying trade only.

Thirty-three of the Senators, January 12, 1865, voted for the resolution, eight voted against it, and eight were absent.³

¹ Senator Howe:— . . . The lumber product of the United States is not less than \$100,000,000, and if you put five per cent. upon that they have to pay directly \$5,000,000, as a consideration for being relieved from this competition of \$2,000,000. I think the lumber men of the United States can do without this sympathy. . . .

To cut down their trade is not the way in which to prepare the people to be taxed. It is not sound argument to adduce here or elsewhere to say that when you have deprived the people of this trade which now amounts to \$40,000,000 annually, they will be in a better position to pay your taxes and sustain the public credit.—Senator Howe, p. 228, *Cong. Globe*, 1864-5, pt. 1.

² The constituents of that Senator (Howe of Wisconsin) are taxed, and largely taxed, upon everything that they consume, yet every product of theirs of the plow, of the anvil, of the mill, and of the mine is brought in direct competition with our own. . . . It is true they receive the same articles but for transportation, and for no other purpose. If the Senator will look at the exports from Chicago, one-third of which goes to Canada, he will find that not one-tenth of that one-third stops in Canada longer than enough to transport it to Portland, Maine, or to Niagara Falls or Buffalo.—Chandler (Mich.) 38 *Cong. 2 Sess.*, p. 230, pt. 1, 1864-5.

³ Voting for the abrogation of treaty (Southern States not represented):

Sen. Henry B. Anthony (Rhode Island),	Unionist.
B. Gratz Brown (Missouri),	"
Zachariah Chandler (Michigan),	"
Daniel Clark (New Hampshire),	"
Jacob Collamer (Vermont),	"
John Conness (California),	"
Edgar Cowan (Pennsylvania),	"
Garrett Davis (Kentucky),	Democrat.
James W. Doolittle (Wisconsin),	Unionist.
Nathan A. Farewell (Maine),	"
Solomon Foote (Vermont),	"
Lafayette S. Foster (Connecticut),	"
James W. Grimes (Iowa),	"

On January 16, 1865, the House accepted the amendment, and so the joint resolution passed.

As the ten years of the treaty would be completed March 17, 1865, the twelve months' notice was given in accordance with the treaty stipulations, and March 17, 1866, the reciprocity treaty came to a close.

In the debates at Quebec upon confederation of the British Provinces, from February 3 to March 14, 1865, we have, perhaps, the best record of contemporary public opinion in Canada upon the abrogation of the treaty. Here there was

Benj. F. Harding (Oregon),	Unionist.
James Harlon (Iowa),	"
Ira Harris (New York),	"
John B. Henderson (Missouri),	"
Henry S. Lane (Indiana),	"
Edwin D. Morgan (New York),	"
Lot M. Morrill (Maine),	"
James W. Nesmith (Oregon),	Democrat.
Samuel C. Pomeroy (Kansas),	Unionist.
Lazarus W. Powell (Kentucky),	Democrat.
Wm. A. Richardson (Illinois),	"
George R. Riddle (Delaware),	"
John Sherman (Ohio),	Unionist.
William Sprague (Rhode Island),	"
Charles Sumner (Mass.),	"
John C. TenEyck (New Jersey),	"
Lyman Trumbull (Illinois),	"
Benj. F. Wade (Ohio),	"
Waitman T. Willey (W. Virginia),	"
Henry Wilson (Mass.),	"

33

Senators voting to continue treaty relation :

Sen. Chas. W. Buckalew (Penn.),	Democrat.
James Dixon (Conn.),	Unionist.
John P. Hale (New Hampshire),	"
Thos. A. Hendricks (Indiana),	Democrat.
Thos. H. Hicks (Maryland),	"
Timothy O. Howe (Wisconsin),	Unionist.
Alex. Ramsay (Minnesota),	"
Peter G. Van Winckle (W. Virginia),	"

but one opinion:¹ the abrogation of the treaty was a lever to force Canada from her allegiance to England and into the United States. For by withdrawing the trade privileges that Canada enjoyed, and upon which she was dependent, the United States, it was claimed, would use Canada's helpless position to bring about annexation. The apathy with which Great Britain had regarded the abrogation of the treaty, and the indifference with which Canada's commercial needs in general were viewed in England, convinced the Canadians that commercially they would be left to stand or fall alone, and alone Canada was sure to become a part of

¹ Mr. Dunkin, p. 531, Debates on Confederation, 3d Sess., 8th Provincial Parliament, Canada :—

"The real danger is not of war with the United States. It is from what I call their pacific hostility, from trouble to be wrought by them within this country, trouble to arise out of refusal of reciprocity, repeal of the bonding system, custom house annoyances. . . . That the United States or those portions of the United States near us may avail themselves of every opportunity to perplex us, to embroil us in trouble, to make us come within the disturbing influences of their strong local attraction."

Mr. Ross, p. 802 :—

" . . . I firmly believe it to be the policy of the United States to introduce coercive measures with a view to make us feel that our commercial interests are identified with them. . . . They do not intend immediate invasion, but instead of that, they will, so to speak, put on the screws in order, if possible, to make us feel that our interest is with them and not separate from them."

Mr. Remillard, p. 788 :—

" . . . But if we are not desirous of being annexed to the United States, and if we are desirous of preserving the institutions which are so dear to us, I maintain that we must construct a Confederacy which shall be competent to protect us from the United States."

MacDonald, p. 650 :—

"The threatened repeal of the Reciprocity Treaty, the hazard of the United States doing away with the system of bonding goods *in transitu* and the unsatisfactory position of commercial relations with the neighboring country, all this calls for immediate action."

Mr. McGivern, p. 466 :—

"Placed as we are now, with the abrogation of the Reciprocity Treaty threatened, does it not become our duty, I ask, to make some effort to change and improve our condition?"

the United States. They did not desire to be annexed, yet it was firmly believed that the United States either would play the part of Prussia in the German Zoll-verein, and by refusing transit to Canada force a union, or by non-intercourse, and in case of war by actual invasion, bring about the same result; thus it was said they would secure Canada's trade, and strike a blow at England. War, the Canadians feared, would soon follow the strained relations between the United States and England, and the extreme uncertainty which attended the settlement of the Alabama claims even up to the Treaty of Washington in 1871, gave ample reason

Hon. Mr. Rose, p. 397 :—

"At the present time we are almost entirely dependent upon the United States. Commercially we are dependent upon them for an outlet to the ocean during the winter months. If they choose to suspend the bonding system, or by a system of consular certificates make it practically useless; if they abolish the reciprocity treaty and carry the passport system to a greater degree of stringency, we should feel our dependence upon that country even in a greater and more practical way than we do at the present time.

And perhaps, sir, it is worth our while to consider whether this may not be the real motive which dictates the policy they are now pursuing."

Hon. Mr. M. C. Crea, p. 173 :—

"The imminence of war with the United States, the certainty of the abrogation of the Reciprocity Treaty, the danger of non-intercourse, the opportunity presented by the Charlottetown Convention (*of Maritime Provinces for Union*) and the consequent necessity of the Intercolonial Railway, all point to this Confederation."

Hon. Sir E. P. Tache (Premier), p. 6 :—

"If the opportunity which now presented itself (of Confederation) were allowed to pass by unimproved, whether we would or would not, we would be forced into the American union by violence, and if not by violence, would be placed upon an inclined plane which would carry us there insensibly. In either case the result would be the same. In our present condition we could not long continue to exist as a British colony."

Mr. Horwood, p. 833 :—

"Moreover, if in the meantime the Maritime Provinces, taking up again their old scheme of a union among themselves, should refuse to listen to any overtures we might make, we should like madmen have lost the golden opportunity. Nothing would remain for us but annexation to the United States."

for such fear. In event of war, Canada would be the first point of attack, and alone, Canada's position was defenseless.

To Canadian popular opinion, then, the abrogation of the reciprocity treaty meant exposure to the danger of aggression by the United States. It is plain that the abrogation of the reciprocity treaty, from whatsoever cause it rose, was a powerful means in bringing about the confederation

Extract Mr. Buchanan, p. 870 :—

“ The continuation of the Reciprocity Treaty with the United States is favorable not only to the farmers of Canada, and to all other classes through them, but also to the English Government ; for without the existence of that Treaty, the Canadians are in a position to be greatly benefited in an industrial and commercial sense by the annexation of Canada to the United States unless other industrial or intercolonial arrangements should take place. Annexation is far preferable in an industrial point of view, to our ‘ free trade in raw products ’ which is unaccompanied by protection for home industry.”

Mr. Horwood, p. 827 :—

“ Either we shall form part of a Confederation of the British North American Provinces, or we shall fall into the unfathomable gulf of the Confederation of the neighboring States, formerly the United States.”

Hon. A. T. Galt (Minister of Finance), p. 64 :—

“ . . . When we have reason to fear that the action of the United States will prove hostile to the continuance of free commercial relations with this country, when we know that the consideration of this question is not grounded on just views of the material advantages resulting to each country, but that the irritation connected with political events exercises a predominant influence over the minds of American statesmen, it is the duty of the House to provide, if possible, other outlets for our productions, . . . to seek by free trade with our fellow colonists for a continued and uninterrupted commerce which will not be liable to be disturbed at the capricious will of any foreign country.”

Hon. Mr. Brown (Pres. of Ex. Council), p. 106 :—

“ On the whole then, sir, I come firmly to the conclusion that, in view of the possible stoppage of the American Reciprocity Treaty and our being compelled to find new channels for our trade, this union presents to us advantages, in comparison with which any objection that has been offered, or can be offered to it, is utterly insignificant.”

“ . . . I am in favor of a union of these provinces because it will enable us to meet without alarm the abrogation of the American Reciprocity Treaty, in case the United States should insist on its abolition.”

of the British North American Provinces in 1867, and in the construction of the Intercolonial Railroad, which to a certain extent took the place of transit through the United States.

These fears, on the part of Canada, of the sinister designs of our government, were somewhat allayed when the real reason for the abrogation of the treaty appeared in the debates in the Senate, but they were revived by a bill introduced by Mr. Banks July 2, 1866,¹ providing for "the admission of the States of Nova Scotia, New Brunswick, Canada East and Canada West, and for the organization of the Territories of Selkirk, Saskatchewan, and Columbia" as States and Territories of the United States under certain conditions. More stress has been laid on this bill than its importance would warrant.² It was read twice in the House of Representatives, referred to the Committee on Foreign Affairs and ordered to be printed, but so far from becoming a law, it did not even come up for debate in Congress: It cannot be denied that there was a feeling that if Canada desired annexation she would be welcomed as a part of the Union, England being willing, and there seems to be no doubt that if the abrogation of the reciprocity treaty were to help to bring about that result, the United States would look with complacency upon such outcome. For example, when the delegates from Canada, New Brunswick, and Nova Scotia were in Washington from January 24 to February 6, 1866, for the purpose of prolonging the treaty, if possible,³ Mr. Morrill, Chairman of the Ways and Means Committee, is reported to have replied to their proposition to place trade upon a better footing, "That will have to be postponed until you, gentlemen, assume your seats *here*."⁴ If this remark meant anything it meant that there

¹ Cong. Globe, 1865-6, pt. 4, p. 3548.

² See C. G. D. Roberts' *History of Canada*, p. 348, where he says the bill was *passed* by Congress in the hope of heading off confederation.

³ Watkin, *Canada and the United States*, pp. 405-418, gives the memoranda reported by this committee to the Provincial Governments.

⁴ Same, p. 425.

was an indisposition to have the United States do anything that would help to maintain Canada's independent position. The evidence is lacking, however, that the United States took positive action and repealed the treaty with the expectation of bringing about annexation.

In reviewing the history of this treaty, we have found that, due to the geographical position and the economic needs of the Provinces, there was a desire by them for free intercourse with the United States. Such arrangement was not easily brought about, as we have seen, mainly because of the disproportionate benefits to the Canadas, which it was thought would result from it, but a balance was secured by adding to free trade and free canals, a satisfactory solution for the fishery question, which had become acute in the summer of 1852. By this adjustment the two parties to the treaty started upon conditions that seemed absolutely fair and equal.

The fishery contention ceased entirely, and was not heard from until after the treaty came to an end. This must be reckoned as a positive and undeniable benefit to the United States intrinsically, and in the peace and harmony which it contributed to the period of prosperous trade that followed.

The Maritime Provinces throughout the treaty's duration purchased largely of the United States, and sold their own commodities in our markets, but the balance of trade was always very greatly in our favor. If they benefited much, the United States benefited much more. Yet it is to Canada that we must look for the most definite results. But here we find conditions adverse to reciprocity, yet which could have been provided against, for they were foreseen by Mr. Marcy when the treaty was drawn up.

The building of railroads and canals in Canada, about completed in 1859, was in itself profitable to the United States, which furnished a large part of the materials for construction. But it forced Canada to lay a heavy duty on manufactures, and in such a way as to be adverse to the trade of the United States and of Canada as well, for after all,

Canada herself had to pay the revenue so raised. Of the statesmanship that caused Canada to assume so heavy a debt we have nothing to say. Canada had to meet her obligations. That the means chosen could operate so powerfully against reciprocal trade must be charged as a defect in the treaty, inasmuch as the treaty failed only where it did not provide for manufactured goods. The provision that Canada was to buy our manufactures as we bought her natural products, rested upon a tacit understanding only, as to the spirit of reciprocity, and not upon any treaty stipulation. This was the great defect of the treaty, and it will be the cause of the failure of any reciprocity treaty which we may make with Canada that does not expressly provide for manufactured goods. In the treaty of 1854, the difficulty might have been avoided by fixing the limit beyond which the Canadian tariff should not go, or by placing the customs in charge of officers of both nations, to distribute the receipts according to population. Such arrangement would, of course, have rested upon a uniform tariff for both countries. This defect in the original treaty might have thus been remedied, and its provisions so altered that the principle would have continued to operate had the desire for reciprocal relations been as great as before¹ the Civil War.

From 1862 to 1866 the war was such a disturbing factor, and its operations so distorted all our relations with the British North American Provinces both commercially and politically, that these years must not be included in our estimate of the results of the treaty. Even here, however, the United States reaped greater benefits than are at once apparent. As we have shown, the imports from Canada of natural products increased enormously during those years. This simply meant, as has been recently pointed out,² that

¹ Mr. Ward in his report made Feb. 5, 1862, gives the opinions of the leading cities, from Minnesota to Maine, as to the advantages of reciprocity. The opinion is almost unanimous in favor of the principle aimed at in the Treaty.

Ward's report, p. 21, Repts. of Comin. 2 Sess. 37 Cong., Vol. 3.

² Collier's Weekly, Feb. 1, 1902; Annexation of Canada; W. T. Stead.

while the South was cut off by our blockading fleets, the North drew upon Canada as an almost inexhaustible storehouse for supplies, not least among which were wool for blankets and horses for army service.¹

For the reasons given, it has been quite impossible to trace the reciprocity treaty in the years from 1854 to 1866 through an unimpeded course. Conditions never permitted the treaty, faulty as it was, to show what would have been the results under favorable circumstances. Yet there were so many positive and well defined benefits to both countries that it is to be hoped a future reciprocity treaty may be so drawn up, that while it will avoid the defects of the treaty of 1854, it will secure to both Canada and the United States all the advantages which reciprocal relations, with Canada, at least, can not fail to produce.

¹ See Harvey, p. 9.

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RECIPROCITY TREATY BETWEEN THE UNITED STATES AND GREAT BRITAIN.

Her Majesty, the Queen of Great Britain, being equally desirous with the Government of the United States to avoid further misunderstanding between their respective Subjects and Citizens, in regard to the extent of the right of Fishing on the Coasts of British North America, secured to each by Article I, of a Convention between the United States and Great Britain, signed at London on the 20th day of October, 1818, and being also desirous to regulate the Commerce and Navigation between their respective Territories and People, and more especially between Her Majesty's Possessions in North America and the United States in such manner as to render the same reciprocally beneficial and satisfactory, have respectively named Plenipotentiaries to confer and agree thereupon, that is to say: Her Majesty, the Queen of the United Kingdom of Great Britain and Ireland, James, Earl of Elgin and Kincardine, Lord Bruce, and Elgin, a Peer of the United Kingdom, Knight of the Most Ancient and Most Noble Order of the Thistle, and Governor General in and over all Her Britannic Majesty's Provinces on the Continent of North America, and in and over the Island of Prince Edward; and the President of the United States of America, William L. Marcy, Secretary of State of the United States, who, after having communicated to each other their respective full Powers, found in good and due form, have agreed upon the following Articles:

ARTICLE I.

It is agreed by the High Contracting Parties, that in addition to the liberty secured to the United States fishermen by the above mentioned Convention of October 20, 1818, of taking, curing, and drying fish on certain Coasts of the British North American Colonies therein defined, the inhabitants of the United States shall have in common with the subjects of Her Britannic Majesty, the liberty to take fish of every kind, except shell-fish on the sea-coasts and shores, and in the bays, harbors, and creeks of Canada, New Brunswick, Nova Scotia, Prince Edward's Island, and of the several Islands thereunto adjacent, without being restricted to any distance from the shore; with permission to land

upon the coasts and shores of those Colonies and the Islands thereof, and also upon the Magdalen Island for the purpose of drying their nets and curing their fish; provided that in so doing, they do not interfere with the rights of private property or British fishermen in the peaceable use of any part of the said coast in their occupancy for the same purpose.

It is understood that the above mentioned liberty applies solely to the sea fishery, and that the salmon and shad fisheries, and all fisheries in rivers, and the mouths of rivers, are hereby reserved exclusively for British fishermen.

And it is further agreed, that in order to prevent or settle any disputes as to the places to which the reservation of exclusive right to British fishermen contained in this Article, and that of fishermen of the United States contained in the next succeeding Article, apply, each of the High Contracting Parties, on the application of either to the other, shall, within six months thereafter, appoint a Commissioner. The said Commissioners before proceeding to any business, shall make and subscribe a solemn declaration that they will impartially and carefully examine and decide to the best of their judgment, and according to justice and equity, without fear, favor or affection to their own country, upon all such places as are intended to be reserved and excluded from the common liberty of fishing under this and the next succeeding Article; and such declaration shall be entered on the record of their proceedings. The Commissioners shall name some third person to act as an Arbitrator or Umpire in any case or cases, on which they may themselves differ in opinion. If they should not be able to agree upon the name of such third person, they shall each name a person, and it shall be determined by lot which of the two persons so named shall be the Arbitrator or Umpire in cases of difference or disagreement between the Commissioners. The person so to be chosen to be Arbitrator or Umpire shall, before proceeding to act as such in any case, make and subscribe a solemn declaration in a form similar to that which shall already have been made and subscribed by the Commissioners, which shall be entered on the record of their proceedings. In the event of the death, absence, or incapacity of either of the Commissioners or of the Arbitrator or Umpire, or of their or his omitting, declining or ceasing to act as such Commissioner, Arbitrator or Umpire, another and different person shall be appointed or named as afore-

said, and shall make and subscribe such declaration as aforesaid.

Such Commissioners shall proceed to examine the Coasts of the North American Provinces and of the United States embraced within the provisions of the first and second Articles of this treaty, and shall designate the places reserved by the said Articles from the common rights of fishing therein.

The decision of the Commissioners and of the Arbitrator or Umpire shall be given in writing in each case, and shall be signed by them respectively.

The High Contracting Parties hereby solemnly engage to consider the decision of the Commissioners conjointly, or of the Arbitrator or Umpire, as the case may be, as absolutely final and conclusive in each case decided upon by them or him, respectively.

ARTICLE II.

It is agreed by the High Contracting Parties that British subjects shall have, in common with the citizens of the United States, the liberty to take fish of every kind, except shell-fish, on the Eastern sea coasts and shores of the United States, North of the 36th parallel of North Latitude, and on the shores of the several Islands thereunto adjacent, and in the bays, harbors, and creeks of the said sea coasts and shores of the United States and of the said Islands, without being restricted to any distance from the shore, with permission to land upon the said coasts of the United States and of the Islands aforesaid, for the purpose of drying their nets and curing their fish; provided that in so doing they do not interfere with the rights of private property, or with the fishermen of the United States in the peaceable use of any part of the said coasts in their occupancy for the same purpose.

It is understood that the above mentioned liberty applies solely to the sea fishery, and that salmon and shad fisheries, and all fisheries in rivers and mouths of rivers are hereby reserved exclusively for fishermen of the United States.

ARTICLE III.

It is agreed, that the Articles enumerated in the Schedule hereunto annexed, being the growth and produce of the aforesaid British Colonies or of the United States, shall be admitted into each Country respectively free of duty:

Schedule.

Grain, flour, and breadstuffs of all kinds.
Animals of all kinds.
Fresh, smoked and salted meats.
Cotton-wool, seeds and vegetables.
Undried fruits, dried fruits.
Fish of all kinds.
Products of fish and of all other creatures living in the water.
Poultry, eggs.
Hides, furs, skins or tails undressed.
Stone or marble in its crude or unwrought state.
Slate.
Butter, cheese, tallow.
Lard, horns, manures.
Ores of metals of all kinds.
Coal.
Pitch, tar, turpentine, ashes.
Timber and lumber of all kinds, round, hewed, sawed, unmanufactured in whole or in part.
Firewood.
Plants, shrubs and trees.
Pelts, wool.
Fish-oil.
Rice, broomcorn, and bark.
Gypsum, ground or unground.
Hewn or wrought or unwrought burr or grindstones.
Dye-stuffs.
Unmanufactured tobacco.
Rags.

ARTICLE IV.

It is agreed that the citizens and inhabitants of the United States shall have the right to navigate the river St. Lawrence and the canals in Canada, used as the means of communicating between the Great Lakes and the Atlantic Ocean, with their vessels, boats and crafts, as fully and freely as the subjects of Her Britannic Majesty, subject only to the same tolls and other assessments as now are or may hereafter be exacted of Her Majesty's said subjects, it being understood however, that the British Government retains the right of suspending this privilege on giving due notice thereof to the Government of the United States.

It is further agreed that if at any time the British Government should exercise the said reserved right, the Government of the United States shall have the right of suspending, if it think fit, the operation of Article III, of the present treaty in so far as the Province of Canada is affected thereby, for so long as the suspension of the free navigation of the river St. Lawrence or the Canals may continue.

It is further agreed that British subjects shall have the right freely to navigate Lake Michigan with their vessels, boats and crafts, so long as the privilege of navigating the river St. Lawrence secured to American citizens by the above clause of the present Article shall continue, and the Government of the United States further engages to urge upon the State Governments to secure to the subjects of Her Britannic Majesty, the use of the several State Canals on terms of equality with the inhabitants of the United States.

And it is further agreed that no Export duty or other duty shall be levied on lumber or timber of any kind cut on that portion of the American territory in the State of Maine, watered by the river St. John and its tributaries and floated down that river to the sea, when the same is shipped to the United States from the Province of New Brunswick.

ARTICLE V.

The present treaty shall take effect as soon as the laws required to carry it into operation shall have been passed by the Imperial Parliament of Great Britain and by the Provincial Parliaments of those of the British North American Colonies which are affected by this treaty on the one hand, and by the Congress of the United States on the other. Such assent having been given, the treaty shall remain in force for ten years from the date at which it may come into operation, and further until the expiration of twelve months after either of the High Contracting Parties shall give notice to the other of its wish to terminate the same; each of the High Contracting Parties being at liberty to give such notice to the other at the end of the said term of ten years, or at any time afterwards.

It is clearly understood, however, that this stipulation is not intended to affect the reservation made by Article IV, of the present treaty with regard to the right of temporarily suspending the operation of Articles III. and IV. thereof.

ARTICLE VI.

And it is hereby further agreed that the provisions and stipulations of the foregoing Articles shall extend to the Island of Newfoundland, so far as they are applicable to that Colony. But if the Imperial Parliament of Newfoundland, or the Congress of the United States shall not embrace in their laws enacted for carrying this treaty into effect, the Colony of Newfoundland, then this Article shall be of no effect, but the omission to make provision by law to give it effect, by either of the legislative bodies aforesaid, shall not in any way impair the remaining Articles of this treaty.

ARTICLE VII.

The present treaty shall be duly ratified and the mutual exchange of ratification shall take place in Washington within six months from the date thereof, or earlier if possible.

In faith whereof, We, the respective Plenipotentiaries have signed this treaty and have hereunto affixed our Seals.

Done in triplicate, at Washington, the Fifth day of June, Anno Domini, one thousand eight hundred and fifty-four.

(Signed)

ELGIN AND KINCARDINE,

L.S.

W. L. MARCY,

L.S.

Certified Copy,

L. OLIPHANT, Private Secretary.

PART II

THE RECIPROCITY TREATY WITH THE
HAWAIIAN ISLANDS IN 1876

CHAPTER I.¹

Annexation or Reciprocity with the United States; the History of Hawaii's Early International Relations.

The negotiation of a reciprocity treaty with the Hawaiian Islands was successful in 1876, where other attempts with the same object in view, made in 1855 and in 1867, had failed. These attempts had their origin in fundamental economic and political conditions of relatively unequal importance, when viewed from the standpoint of Hawaii, and from the standpoint of the United States.

American missionaries and American whale ships opened the way for commerce with the United States; yet it was not to secure this commerce that led our Government primarily to these proposed commercial treaties. To her, their object was strategic and political rather than commercial. They were viewed as a legitimate means to strengthen the growing American influence there; for it was hoped, that by binding the Islands closely to the United States by firm commercial ties, the intercourse that would follow would secure ends more remote, yet more desirable. On the other hand, the economic dependence of Hawaii upon the United States made satisfactory trade relations a consideration of the first importance in her dealings with the American Republic. Thus, while each was to a certain extent concerned in both the political and the commercial results of treaty agreements, they approached the matter from different points of interest. The interest of the United States in reciprocity with Hawaii was political; the interest of Hawaii in reciprocity with the United States was com-

¹ Besides using the United States Government Documents in the preparation of this chapter, the writer has made a liberal use of Alexander's *Brief History of the Hawaiian People*, Jarves' *History of the Sandwich Islands*, and Bingham's *A Residence of Twenty-one Years in the Sandwich Islands* for the early political history of the Hawaiian Islands.

mercial. The history of the treaty of 1876, therefore, will show how these two worked to bring about the same end.

For a hundred years after the discovery of the Hawaiian Islands, the French, the English and the Americans there intermittently contended for pre-eminence. How, and by what means the United States was able to outstrip her rivals, is shown by the political and foreign history of the Islands from the time they came into view, in their degraded moral state at the end of the eighteenth century, until christianized and civilised, this island group became a part of the territory of the United States at the end of the nineteenth century.

The year 1820 marks an epoch in Hawaiian history. Up to that time, although it had been more than forty years since their discovery, the Islands were little influenced by the outside world. An occasional fur-trader bound for China from the northwest coast of America spent the winter there, or a vessel put into Honolulu after a long voyage, for repairs or provisions; but aside from these, life on the Islands continued to be much as it had been for hundreds of years.

Events of this year, however, brought with them a complete change in everything that concerned the Hawaiians as a people. In 1817, while they were still given over to human sacrifices, to worshipping their idols, and were governed by the terrible *tabu* system, whose every violation was punished by death, there was being established in Cornwall, Connecticut, a foreign mission school. Among its pupils were five Hawaiians brought back by the fur-traders to the United States. The description which they had given of the miserable condition of their own people had so aroused an interest in Hawaii, that on October 23, 1819, there sailed from New Haven harbor a band of missionaries on the ship *Thaddeus*. They were bound for the Hawaiian Islands, having set out with many misgivings, renouncing forever home, kindred, and native land to preach the gospel to the unknown heathen.

Strangely enough, while they were being storm-tossed around Cape Horn, the whole system of religion that had existed for centuries on the Hawaiian Islands was overthrown in a single day. The weak successor of the great Kamehameha had been persuaded to formally and openly violate the sacred *tabu* which forbade the men and women to eat together. This having been done, and the gods having been defied in the sacred person of the King, the whole structure of both idol worship and of the *tabu* fell at once into ruins. The chief priest himself applied the torch to the idols and temples, and, "as they went up in smoke," Jarves says, "Hawaii presented the singular spectacle of a nation without a religion."

When the *Thaddeus* arrived March 30, 1820, the missionaries heard with unbounded joy, and thanks to God, that the idols had been overthrown, the *tabu* system abolished, and that the people were in so favorable a condition for receiving a new religion. The absolute rule of the kings and chiefs made it natural that the people should accept what their leaders believed, and this circumstance helped to make possible the marvelous progress of the whole nation to Christian civilisation.

The same year that witnessed the arrival of the American missionaries saw the first American whale ship come to anchor in the harbor at Honolulu. Thus started together two powerful influences that turned the attention of the Hawaiians to the great Republic to the east of them, and upon whose good offices their increasing commercial intercourse, and their unfortunate relations with other nations, led them more and more to rely for advice and protection. To a certain extent, while bringing about the same end, the influence of the missionaries and that of the whale ships each counteracted the other. The Christian teachings of the missionaries were hardly the ideals of the whalers, whose dogma, "there is no God this side of Cape Horn," sums up their defiance of any moral restraint when on shore leave in the Pacific.

The pure teachings of the missionaries, and the example of their daily lives of self-sacrifice, on the other hand, helped to hold back the people, through their kings and chiefs, from the life of unrestrained licentiousness to which, as a nation, they had always been prone. When it is considered that at this time over one hundred whale ships visited the Islands in the course of a year, and that often thirty were at anchor together in one harbor, it will be seen how incessant and unremitting the efforts of the missionaries had to be to make any head whatever against the tide of lust and drunkenness that threatened to sweep the whole people away with it.

The missionaries were several times in danger of violence from ships' crews, who held them responsible for the law that prevented native women from going on board ships in the harbor, for immoral purposes, as they had formerly been permitted to do in great numbers.

Disgraceful to relate, the British Consul Charleton, who had arrived in 1825, at once allied himself with the faction in favor of unrestrained vice, and by his action sought in many ways to embarrass the honest efforts of the native government. Perhaps nothing tended so much to undermine the otherwise secure influence of Great Britain, as the unfortunate choice of this man as her representative.

A possible explanation of his conduct at the time and subsequently, is that he hoped by embroiling the rulers with the people, to make it evident to the world that a state of lawlessness existed, and that the hand of some strong nation was necessary to prevent anarchy, and the loss of the lives and property of foreign residents. This strong hand would be England's, and having once established a protectorate over them, the Islands would eventually pass under English control. That it was the purpose of Mr. Charleton to bring about the annexation of the Islands to England there can be, I think, but little doubt. How far his plans were to succeed and how little his government sanctioned them, and approved him, is shown by succeeding events in the international

troubles which begin to thicken around the Hawaiian government.

We pass here over certain minor events, and come to the complications with France, and with Great Britain. The cause of trouble with France lay in the undoubted purpose of the French government to carry out in Hawaii what was even then being accomplished in Tahiti; to make demands, upon a fitting occasion, that the Islands could not comply with, and in justification of these demands to seize a foothold upon the land that should not be relinquished. The occasion was furnished in the dispute as to the right of the French Roman Catholic priests to land upon the Hawaiian Islands, and to teach their religion in defiance of the express prohibition of the King.

The cause of the dispute with England lay in the character of her Consul, and in the unabating zeal of this official to secure the control of the Islands for the English government. The occasion for English interference was a preposterous claim to personal ownership of lands made by the English Consul Charleton.

Toward the introduction of the Roman Catholic religion the attitude of the Hawaiian government was this. The people, they said, were content under the teachings of the Protestant missionaries, and the establishment of a rival faith would lead to discord and contention. Moreover, they maintained, it would make possible political divisions on the basis of religious differences, which those who sought to embarrass the government would not be slow to use.

Without doubt this position was advised by the Protestant missionaries; but it would have been wise statecraft could the King have enforced obedience to his edicts, for the matter was political and not religious. This, however, he could not secure, and in spite of his order against it, French Roman Catholic priests were landed in 1826. Mr. Charleton and one of the powerful disaffected native chiefs at once gave them countenance, and in defiance of the government, they remained.

The attitude of the British Consul at this time in siding with the French against the native Hawaiian government admits of only one explanation. Hostile to the influence which their moral lives had secured to the American missionaries, he championed the French cause and the introduction of the Catholic religion as a means of destroying the power which the Americans exercised over the King and people. He seems, also, to have aimed at neutralizing in this way the American influence as a factor in determining the fate of the Islands.¹

In 1832, however, after previous unsuccessful attempts, the government was strong enough to compel the priests to leave the Islands. In 1837 they returned and were landed from a vessel bearing the English colors. The King ordered them on board again, but the captain of the ship refused to receive them. They were then placed on board by Hawaiian officers, whereupon the captain hauled down the English flag and delivered it to the English Consul, who burned it publicly in the streets of Honolulu.

This was in May, 1837. In July, a British sloop of war and a French frigate arrived. Upon the demand made by the captains of these vessels, the priests were permitted to remain. In November, other priests came from Valparaiso, but were permitted to remain only under bond that they would depart at a given time. During the dispute, however, the King's right was not questioned, under international law, to exclude persons from his kingdom as he saw fit.

Pressure was now brought to bear upon the King by the missionaries to permit all forms of religion to be practiced. The King yielded and in June, 1839,² religious toleration was established.

¹ "The remedy adopted by the French was the introduction of a rival religion. It was the belief of the British Consul that American influence might be thus broken and the field left clear for a settlement of the question of ultimate sovereignty between these two powers."

H. Ex. D. 2d S. 53 C., 1893-4, Vol. 27, No. 48, p. 251. Found also in A. H. Allen's Report, in S. Ex. Doc. 2 S., 53 C., 1892-3, Vol. 8.

² Jarves, p. 317.

The edict of toleration had been passed in June. In July the French 60-gun frigate *Artemise*, commanded by Captain LaPlace, dropped anchor in the harbor at Honolulu. Without making inquiry, LaPlace issued a manifesto complaining of the ill treatment the French had received and declaring that "to persecute the Catholic religion, to tarnish it with the name of idolatry, and to expel under this absurd pretext the French from this Archipelago was to offer an insult to France and its sovereign. . . . Such a state of affairs being contrary to the laws of nations, insulting to those of Catholics can no longer continue, and," he says, "I am sent to put an end to it." He demanded therefore that the Catholic worship be declared free throughout the Islands; that a site for a Catholic church be given by the government at Honolulu; that all Catholics imprisoned on account of religion be set free; that the King of the Sandwich Islands deposit \$20,000 as a guarantee of future conduct towards France.

"These," continued the manifesto, "are the equitable conditions at the price of which the King of the Sandwich Islands shall conserve the friendship of France . . . but if . . . it should be otherwise . . . war will immediately commence."

The demands of this singularly conciliatory message will be better understood by supposing they had been made of England, or of some nation powerful enough to have willingly accepted war as the alternative.

The Hawaiians had no such choice. They had neither fleets, nor forts, nor harbor defenses, and were absolutely at the mercy of a single warship. The conditions stipulated could not be acceded to with any show of dignity, and the production at once of \$20,000 seemed a sheer impossibility. But through a loan made by foreign merchants the sum was finally obtained, and taken aboard the warship, where the money was paid over. The pledges were given; and the King still retained possession of his Islands.

With the payment of this money the evident plan of the French captain fell to the ground. He did not expect that this sum could be raised, and had apparently counted on taking immediate possession of the Islands upon the failure of the King to pay the amount demanded.¹

Concessions forced in this way naturally did not produce harmony between the French priests and the natives. Disputes, helped along by the French Consul, soon arose as to the new school and marriage laws, and again a war vessel sailed into the harbor to right the wrongs and to demand satisfaction for the French nation. This time it was the *Embuscade*. She brought the re-assuring news that the French had just taken possession of the Marquesas Islands July, 1842, and that the matters in dispute would be referred to the French Admiral, who would soon appear at the Hawaiian Islands. He was then busy with affairs in the Society Islands, over which a French protectorate was extended in September, 1842.

In 1797, the London Missionary Society had sent out a band of English clergymen to work as missionaries among the natives of the Society Islands. These men had worked earnestly and faithfully to instruct the mild mannered Tahitians in the Christian religion, and to bring to them the benefit of a better civilisation than their own. All had gone well as a result of their labors and there had been neither civil dissensions nor religious strife. But besides the English, some French settlers had been attracted to Tahiti, and

¹ "When Capt. LaPlace was here in 1839 the French consul was Jules Dudoit; I am told on good authority that he says it was the intention of LaPlace to seize and retain the islands, and that in demanding the sum of \$20,000, in default of which he would take possession he had no idea the king could raise the money, and was much disappointed when he did so by borrowing it of the foreign residents. M. Dudoit has now large interests here and entirely disapproves of the present conduct of the French."

Mr. Severance to Mr. Webster, Mar. 12, 1851, Vol. 27, p. 333.

(This money was returned by the French government a few years later with the seals unbroken.)

for some time there had been a growing national rivalry. In 1838, two French Catholic priests attempted to land on the island, but as in the case of Hawaii, and governed by the same motives, the Protestant missionaries used their influence with the government of Tahiti, and the priests were not allowed to land. This incident fanned the flame of French jealousy of the English influence, and the French Admiral Thouars having been appealed to, gave the priests aid and protection as Frenchmen, and at the same time he used the incident to advance the French influence by compelling the Tahitian Queen, under threat of war, to grant to French subjects the right to land upon the islands with the same freedom as other nationalities. He further compelled the payment of 2000 piastres as an indemnity to the French priests.

The rivalry, thus brought to an issue, continued along other lines. The adroit French Consul gained influence with the Queen, and finally persuaded her that her interests required that she should ask for French protection. This she did. And the French Admiral, after communicating with his government, willingly proclaimed the French Protectorate over Tahiti, September 9, 1842.

No sooner, however, had the French Admiral departed, than, having been instructed by the English as to the meaning of the French action, the natives offered an enraged resistance to the hoisting of the French flag, and to the taking of possession by the French representative. Some sided with the Queen and the French, however, and a bloody civil war followed.

The French faction was finally victorious, but had to subdue another uprising against them by the natives in 1852. After this the French held peaceful possession, and in 1880 formally annexed the Islands to the French Republic.

In 1842, at almost the same time as possession was taken of the Society Islands, the Marquesas Islands were surrendered to the French. Here, however, the occupation was peaceful and created no discord, inasmuch as only French

priests had settled among the natives. This settlement had been made four years before, in 1838, when the French priests, Carey and Leval, had attempted to land in Tahiti.¹

Rumors of the direction affairs were taking in Tahiti having reached them, and remembering the visit of LaPlace in 1839, the Hawaiians did not look forward eagerly to this promised visit of the French Admiral, and were much perturbed as to what course they should take.

This apprehension and embarrassment on the part of the Hawaiian government was not lost sight of by the British Consul Charleton. It looked as if the French might take possession, but surely the Islands would be much better in the hands of the English than of the French, and as there was not then at hand a specific grievance that the Consul could use to bring about English intervention, he seems to have deliberately made one. This was his claim to the land on which stood a prosperous business block in Honolulu. His claim was based on a document dated 1826, and produced by him for the first time in 1840, fourteen years after it was supposed to have been drawn up. The King, however, refused to recognize the grant.

Two years later the knowledge came to the English Consul that an embassy was setting out for Europe to negotiate new treaties, and to bring to nothing his plans and labor for annexation to Great Britain by securing a recognition from that power, and from others, of the independence of the Sandwich Islands. This was more than enough to warrant him in taking measures.

He suddenly left for London by way of Mexico in September, 1842, a month after the arrival of the French corvette *Embuscade*, having appointed as acting Consul, Mr. Alexan-

¹ *La France Coloniale*, par M. Alfred Ramboud. pp. 629-633. Paris, 1895.

Les Colonies francaises, par Paul Gaffarel. pp. 505-516. Paris, 1899.

Colonial France, Chap. V, C. B. Norman. W. H. Allen Co. London, 1886.

O-Taïti, par Henri Lutteroth. Paris, 1843.

der Simpson, "an avowed advocate of annexation of the Islands to Great Britain." The King refused to receive him as Consul and the time seemed ripe for English interference, and for Mr. Charleton's *coup d'état*.

The commission left in July, 1842, for the United States by way of Mexico. Mr. Charleton left in September by the same route for London. At Mazatlan, Mexico, he found the British frigate *Carysfort*, commanded by Lord George Paulet, who lent a willing ear to the Consul's troubles, and upon the arrival of alarming despatches from Mr. Simpson, the *Carysfort* sailed for Honolulu.

Mr. Charleton proceeded to London, and the commission to Washington, where they explained their mission to Mr. Webster, and their fears for the independence of the Islands. In a letter, he replied to them that it was the sense of his government that no power ought to take possession of the Islands either as a conquest or for the purposes of colonisation,¹ and later President Tyler in his message to Congress December 30, 1842, defined the future policy of the United States toward the Islands thus: "Considering therefore," he said, "that the United States possesses so very large a share of the intercourse with those islands, it is deemed not unfit to make the declaration that their government seeks nevertheless no particular advantages, no exclusive control over the Hawaiian government, but is content with its independent existence, and anxiously wishes for its security and prosperity. Its forbearance in this respect under the circumstances of the large intercourse of their citizens with the islands would justify this government, should events hereafter arise to require it, in making a decided remonstrance against the adoption of an opposite policy by any other power."

Ignorant of this declaration by the Government of the United States, the *Carysfort* arrived at Honolulu from Mexico, February 10, 1843. Fully persuaded that he had the true condition of affairs from the British Consul Charle-

¹ Webster's Works, Vol. VI, p. 477-8.

ton and from the Vice Consul Simpson, Lord Paulet acted accordingly, and again the feeble government yielded to the persuasion of a broadside trained on its chief port.

The demands made by Lord Paulet in satisfaction of the English claims were so astounding that, rather than give up his dominion piecemeal, the King surrendered his kingdom entire to Lord Paulet, pending the result of an appeal to the Queen of England against the injustice of his acts.

Lord Paulet at once took possession. The flag over the British Consulate was struck, and the British flag raised to denote English sovereignty over the Islands. Lord Paulet now took over entire charge of the government, and the English occupation was complete.

Meanwhile, successful in their mission to the United States, and recognition assured to them, the Hawaiian envoys sailed for England. The recognition of their independence by the United States at this particular time had a more important effect on the history of the Hawaiian Islands than could then be foreseen, and it became apparent only later.

In England they met with a rebuff at first. Lord Aberdeen, Secretary of State for Foreign Affairs, refused to receive them as envoys of an independent state. He declared that their island government "was exclusively under the influence of Americans to the detriment of British interests,"¹ and he maintained that the United States had not recognized Hawaiian independence. When, however, he was convinced that the United States had given formal recognition, he pledged his government March, 1843, to recognize the Islands as independent,² and April, 1843, the envoys were officially notified.

This course of the British government was due largely to the action of the United States, and to the well known aggressions of the French in the neighboring islands in the

¹ Alexander, p. 239.

² Mr. Everett to Mr. Webster, Mar. 28, 1843.

Pacific during the previous summer.¹ Her act of recognition is the more creditable to England when we remember that the "opium war" with China which England had just brought to a close had opened up five free ports in China to English commerce, and would have thus greatly enhanced the value of the Hawaiian Islands to England as a mid-ocean possession.

England's recognition of the Hawaiian government had taken place before news came of Lord Paulet's seizure of the Islands. This was a fortunate circumstance for the Hawaiians, for without such a pledge England would probably not have given up her possession of them. As it was, Lord Paulet had taken them just in time to prevent the French from seizing them, as a French squadron was on the way at that time.² This, too, was in turn fortunate for the Hawaiians, for the French without doubt would have retained them, as they were bound by no pledges to recognize the independence of the Islands.

Even after England's declaration, the independence of the Islands seemed to Mr. Everett, our Minister to England, so seriously threatened, that he thought the use of force by the United States might be justified in preventing their falling into the hands of France or England.³

¹ " . . . I cannot but regard the recognition of the United States as having determined the character of all the succeeding occurrences, . . . and the occupation of the Marquesas by the French no doubt united with our recognition in hastening the decision of this government."—Mr. Everett to Mr. Upshur, Aug. 15, 1843, p. 359, Vol. 27.

² "There is now reason to think that the occupation of the islands by Lord George Paulet was a fortunate event, inasmuch as it prevented them from being taken possession of by a French squadron, which it is said was on its way for that purpose. Had France got possession of the islands she would certainly have retained them. Had intelligence been received here of Lord George Paulet's occupation of them, England I think would not have given them up."

Mr. Everett to Mr. Upshur, Aug. 15, 1843, p. 359, Vol. 27.

³ "There is something so entirely peculiar in the relations between this little commonwealth and ourselves that we might even feel justified, . . . in interfering by force to prevent its falling into the hands of one of the Great European powers."—Mr. Everett to Mr. Webster, June 13, 1843.

England had been led to recognize the independence of the Hawaiians, and though in actual possession of their territory she could not for that reason hold it. But by this occupation she hoped to bring France to agree with her never to take possession.¹ This group was a strategic point of such importance that neither France nor England could yield it to the other, but if both would agree to recognize the Islands as independent, and bind themselves reciprocally not to take possession of the whole or of part of them in any way, then the Sandwich Islands would practically cease to exist as a strategic point in the Pacific; for there was the constant fear among the powers that some nation would seize and fortify these Islands to the great detriment of the others. As it was only for war purposes that they were desirable, they may be regarded as commercially insignificant at this time.

The elimination of these Islands as a war factor actually took place November 28, 1843,² when France and Great

¹ . . . With respect to the acknowledgment of the independence of the islands, the following seems to be the precise state of the case.

The English Government, following our example, acquainted Messrs. Hanlileo and Richards in April last that they were prepared to acknowledge their independence. Meantime Lord George Paulet, acting without instructions, had taken provisional possession of the islands by a treaty extorted from the weakness of the native government.

Great Britain feels herself pledged to adhere to the recognition of their independence and has invited France to follow her example. France has agreed to do so as soon as Great Britain withdraws her occupation.

Great Britain, before giving up the occupation, means to do two things; one, to obtain satisfaction to the matters of complaint. . . . The other, to come to some arrangement with France which will prevent that power, at some subsequent period, from taking possession of those islands, as they have lately done to the Marquesas.—Mr. Everett to Mr. Upshur, Aug. 15, 1843, p. 359, Vol. 27.

² In the meantime Admiral Thomas had returned the islands to the King, July, 1843. He probably acted under the orders of his government on this occasion, though I find no record of such instructions to him.

Britain mutually agreed never to take possession of the Hawaiian Islands nor any part of them upon any occasion whatsoever.¹

Before the next foreign trouble in which Hawaii was involved, the interest of the United States in her fortunes had been vastly increased by the acquisition of California, and other territory on the Pacific coast, as a result of the Mexican war; an acquisition which brought about the reciprocity treaty of 1876, and ultimate annexation to the United States.

The agreement between France and England was followed by a period of tranquillity for Hawaii. Her troubles with foreign nations seemed now to have come to a close. Peace reigned, but it was not for long.

The new French Consul soon involved himself in a dispute with the government, and his complaints of injuries and insults to France brought a French warship to Honolulu in August, 1849. Upon the refusal of the King to grant the extravagant demands made of him concerning duty on French brandy, the management of the Catholic schools, port duties, and the use of the French language for official intercourse, force was again resorted to. The fort was seized by French sailors from the warships and great damage was wantonly done. The disorder lasted for ten days, during which time business was for the most part suspended.

These acts of the French created great turmoil in diplomatic circles. The English Consul at Hawaii protested against them as a violation of the convention of November 28, 1843, and the American Consul protested that American commerce was being seriously embarrassed. As soon as the

¹ "Her Majesty the Queen of the United Kingdom of Great Britain and Ireland, and his Majesty, the King of the French, taking into consideration the existence in the Sandwich Islands of a government capable of providing for the regularity of its relations with foreign nations, have thought it right to engage reciprocally to consider the Sandwich Islands as an independent state and never to take possession, either directly or under the title of a protectorate or under any other form, of any part of the territory of which they are composed."

matter became known at Washington, Secretary of State Buchanan sent a despatch to the United States Minister at Honolulu September 3, 1849, in which he said: . . . "It would be highly injurious to our interests if, tempted by their weakness, they should be seized by Great Britain or France, more especially so since our recent acquisitions from Mexico on the Pacific Ocean."¹

In 1851, a renewal of the French aggressions brought forth more protests, and resulted in the final phase of the question of international relations, by which France ceased altogether to be a factor in the matter.

The King, wearied of being coerced on account of his defenseless position, first by one power and then by another, drew up a document ceding his dominions to the government of the United States until satisfactory arrangements could be made with France, and if these could not be made, then the cession to the United States was to be perpetual.²

Relying upon the strength of this move, the Hawaiian government now assumed a lofty air with the French agent, M. Perrin, and assured him that his demands were quite inadmissible. Upon the intimation that he would be obliged to use force, he was significantly told that the King's

¹ On July 5, 1850, in reference to the same matter the United States Minister at Paris received from the Secretary of State the following instructions :

"The Department will be slow to believe that the French have any intention to adopt, with reference to the Sandwich Islands, the same policy which they have pursued in regard to Tahiti. If, however, in your judgment it should be warranted by circumstances, you may take a proper opportunity to intimate to the Minister of Foreign Affairs of France that the situation of the Sandwich Islands, in respect to our possessions on the Pacific, and the bonds commercial and of other descriptions between them and the United States, are such that we could never with indifference allow them to pass under the dominion or exclusive control of any other power."

² On the document of cession was written in Hawaiian, "The King requests the Commissioner of the U. S., in case the flag of the U. S. is raised above the Hawaiian, to open the enclosed and to act accordingly."—H. Ex. Docs., Vol. 27, 251 ; 1892-3. A. H. Allen's Report ; Mar. 11, 1851.

independence would cease in that event. Upon this intelligence, the change in the attitude of the French agent was marked, and his demands became at once modest and reasonable.¹

To the communication made by the United States Minister at Honolulu,² Mr. Webster thus defined the policy of the United States.

"It cannot be expected that the government of the United States could look on a course of things leading to such a result with indifference.

The Hawaiian Islands are ten times nearer to the United States than to any of the powers of Europe. Five-sixths of all their commercial intercourse is with the United States, and these considerations, together with others of a more general character, have fixed the course which the government of the United States will pursue with regard to them. The announcement of this policy will not surprise the civilised world, and that policy is, that while the government of the United States itself, faithful to its original assurance, scrupulously regards the independence of the Hawaiian Islands, it can never consent to see those islands taken possession of by either of the great commercial powers of Europe, nor can it consent that demands manifestly unjust and derogatory and inconsistent with *bona fide* independence shall be enforced against that government."³

A copy of this letter was sent in circular form to all members of the Diplomatic Corps in Washington. In the belief that the United States had a secret understanding with the Hawaiian Islands, the effect of this letter was to cause France to cease from her aggressions.

¹ Mr. Severance to Mr. Webster, Mar. 21, 1851, Vol. 27, p. 337, No. 6; and Mr. Rives to Mr. Webster, Oct. 30, 1851, Vol. 27, p. 345.

² Mr. Severance to Mr. Webster, Mar. 21, 1851, Vol. 27, p. 337, No. 6.

³ Mr. Webster is quoted as having privately said to the Hawaiian agent sent to Washington to represent the French aggressions,

"I trust the French will not take possession, but if they do, they will be dislodged if my advice is taken, if the whole power of the government is required to do it."

Mr. Webster now instructed Mr. Severance to return the document of cession, and then for the eyes of the French agent and of others, he enclosed a statement that our naval armament would be placed upon such a footing in the Pacific as to uphold the dignity of the United States, and the safety of the government of the Hawaiian Islands.

This threatening front was to impress the foreign powers, but it was plainly a diplomatic move only. For, lest Mr. Severance should be carried away by it, Mr. Webster writes, for his agent's eye alone, that the war-making power rests entirely with Congress, and that no power is given to the Executive to oppose an attack by one independent nation on another; "but," he continues, "it is not necessary that you should enter into these explanations with the French commissioners or the French naval commander."¹

Here ceases the active interference of foreign powers in the affairs of Hawaii, and from now on control of the Islands is attempted by means of their commercial relations. With the advantage of position altogether with the United States, England is the only power that attempts to dispute her supremacy commercially and politically.

¹ Mr. Webster to Mr. Severance, July 14, 1851, Vol. 27, p. 340-3.

CHAPTER II.

The Political and the Commercial Elements in the Treaty; the History of its Ratification, and its Adoption by Congress.

It may be safely assumed that the power which develops the resources of a country is the one which in the end controls it. This has not been less true of Hawaii than of other undeveloped countries. To be sure, the United States was bound to maintain the independence of Hawaii against foreign aggression, but this could not prevent the annexation of Hawaii to the United States if this was the plain desire of the Hawaiian government, nor would it prevent the resources of the Islands from being developed by American capital if this were favored by a reciprocity treaty.

The nearness of the western coast of the United States made it natural that the United States rather than some other power should profit by the commercial prosperity of Hawaii, and it was the duty of wise statesmanship to secure this advantage. To thus bind the interests of Hawaii more closely to her, the United States had three courses from which to choose; a protectorate, annexation, and commercial reciprocity.

The French trouble had been settled in 1851, but it had not removed the feeling of insecurity on the part of the Hawaiians. It had rather strengthened the conviction that their defenseless position would sooner or later compel them to become part of a stronger nation. The business interests of the foreign population, which was largely American, combined with the fear of the natives that the Islands would be forcibly seized by some European power, made the advantages of annexation by the United States seem of greater importance to the Hawaiians than the preservation of their national independence. This attitude toward the United States became so pronounced that in 1852-3 annexation was considered almost certain.

Other circumstances, too, contributed to make such an alliance desirable. There had been many rumors of filibus-

tering expeditions against Hawaii by lawless adventurers in California, and these rumors had kept the government in constant fear of attack. In addition to this uncertainty, the Crimean War broke out, and although hostilities had actually begun in the fall of 1853, it was not until March of 1854 that France and England declared war against Russia. The war vessels of the allies soon after appeared, scouring the Pacific to destroy Russian commerce between the northwest coast of America and Siberia, and to threaten the Russian possessions in America. The Hawaiian Islands would be a very desirable base of operations for the combined fleets, and the convention which bound each of them not to take possession might not prevent them from occupying the Islands jointly, so long as the war made it desirable.

As soon as it was known, therefore, that the annexation movement was likely to succeed, there came a very prompt and very natural protest from Great Britain and from France. The representatives of each of these powers in Washington urged upon Mr. Marcy that the United States should promise to take no measures to acquire the sovereignty of these Islands, or even to accept it, if it was offered voluntarily. Mr. Marcy of course refused to promise anything of the kind, whereupon both representatives tried to impress him with the belief that such transfer would be forcibly resisted.¹ He did not believe it would be, and continued his negotiations with Hawaii. He expected, however, that England and France would use every opportunity to defeat any transfer of the Islands to the United States.²

While the Hawaiian government was in fear of enemies from without, the fear of a revolution from within worked powerfully in favor of annexation. Mr. Gregg, writing to Mr. Marcy from Honolulu, July 26, 1854, says, "I am convinced that a revolution will soon take place if a treaty of

¹ Mr. Marcy to Mr. Mason, U. S. Minister at Paris, Dec. 16, 1853; H. Ex. D., Vol. 27, 1893-4, p. 347.

² Mr. Marcy to Mr. Gregg, Apr. 4, 1854; H. Ex. D., Vol. 27, p. 364, No. 6, 1893-4.

annexation is not concluded.¹ He feared also that the Islands might be seized by hostile powers from without before the transfer could be made, for on August 7, 1854, he wrote to Mr. Marcy that an immediate transfer of the sovereignty of the Islands to the United States was necessary to guard against pressing danger.²

The negotiation of a treaty of annexation had been successfully carried on by Mr. Gregg, Minister from the United States to Hawaii, and by Mr. Wylie for Hawaii, and a treaty satisfactory to the government of the United States was waiting for the King's signature, but before this final step was taken the King died, and his successor refused to agree to its conditions. As there was then no present hope for annexation, the sentiment of the foreign population and of the native government now set strongly toward reciprocity as most desirable for the business interests of the Hawaiian Islands.

As it has been seen, the voluntary cession of the Islands to the United States made in 1851 was not accepted. A protectorate of this kind was undesirable because the United States would thereby assume heavy responsibilities with very few compensating advantages.³ Annexation would secure protection to the Islands, and an advantageous base in time of war to the United States, and at the same time it would obtain all the results of the most favorable commercial treaty; but there were many obstacles to annexation, constitutional, political, and diplomatic, which had no weight when considered with respect to a reciprocity treaty. Only the threatened danger of war, or the fear that some other power would supplant American influence there and seize the Islands, has ever secured for annexation a favorable consideration by our government. Reciprocity, on the other

¹ Mr. Gregg to Mr. Marcy July 26, 1854; H. Ex. Docs., Vol. 27, p. 364, 1893-4.

² Mr. Gregg to Mr. Marcy, Aug. 7, 1854; H. Ex. Docs., Vol. 27, p. 366, 1893-4.

³ Letter of Mr. Marcy.

hand, has always been a desirable step not involving any of the objections to annexation.

The commercial relations between the United States and the Hawaiian Islands were of more importance from 1850 to 1860 than at any time before the treaty of 1876 came into operation; and it was during this decade that the Hawaiian Islands first attained to any commercial importance. The discovery of gold in California in 1848 had made the port of San Francisco a greedy market for all the provisions that Hawaii could supply, and thereby gave an immense stimulus to every latent industry in the Islands. The Hawaiian Islands, too, became the distributing station for supplies of all kinds needed by the rapidly growing population of the Pacific Coast, when the lack of railroads had made impossible any direct communication with the East.

The whale fishery was at the zenith of its prosperity in 1853-4, and the fitting out and provisioning of the hundreds of whale ships which touched there annually was the chief source of Hawaii's wealth. The greater part of them were American vessels, and they largely fostered American influence. It was reasonable to suppose that under these conditions a reciprocity treaty would prosper. But it did not.

Mr. Marcy, Secretary of State, successfully negotiated a reciprocity treaty July 10, 1855, with the Hawaiian government, providing for the free admission of American products in return for sugar and the principal native productions of the Hawaiian Islands.¹ But when it came up in the Senate for discussion the measure was defeated, largely on account

¹ *Articles being the growth or produce of the Hawaiian Islands.*

Schedule (free).

July 20, 1855.

Muscovado, brown, Clayed, and all other unrefined sugars, syrups of sugar, molasses, coffee, arrow root. Live stock. Animals of all kinds. Cotton (unmanufactured), seeds and vegetables not preserved. Undried fruits not preserved. Poultry, eggs. Plants, shrubs and trees. Pilts, wool (unmanufactured). Rags, hides, furs, skins (undressed). Butter, tallow.—Sen. Doc., No. 231, pt. 6, p. 407; 56 C. 2 S. Rep't of Comm. on Foreign Relations 1789-1901.

of the opposition of Senators Benjamin and Slidell of Louisiana, on the ground that this free sugar would injure the sugar-growing interest of the Southern States.¹ There was another and more important reason for its defeat, however, and that was, that besides the loss of revenue to the United States resulting from such a measure, the terms of the treaty gave no assurance that the island resources would not be developed by American capital, only perhaps to fall later into the hands of some European power. This is the more satisfactory explanation in the light of later negotiations.

The attempt at reciprocity was a failure, for the time at least, as more important matters crowded the question out of public notice. The Civil War in the United States, and the events leading up to it, now occupied the attention of the American people, and Hawaii was lost sight of. Yet the war brought its misfortunes to Hawaiian commerce, for the cruisers *Florida* and *Shenandoah* destroyed the whaling fleet in the Pacific, and thus took away almost at a blow the Islands' chief source of wealth.

The whaling industry never recovered from this injury, and in time ceased to be an industry altogether. This failure was also in part due to the scarcity of whales, to the increasing use of gas and mineral oils for illumination, to the production of stearin and paraffine, and to the substitution of steel and hard rubber for whalebone in many articles of clothing, umbrellas, parasols and the like.² From what-

Articles being the growth or produce of the United States.

Schedule (free).

July 20, 1855.

Flour of wheat, fish of all kinds, coal, timber and lumber of all kinds, round, hewed and sawed (unmanufactured) in whole or in part. Staves and heading, cotton (unmanufactured) seeds, and vegetables not preserved. Poultry, eggs, plants, shrubs and trees, pelts, wool (unmanufactured), rags, hides, furs, skins, undressed, button, tallow. —S. D., No. 231, pt. 6, p. 407.

¹ Cong. Record, 49 Cong., 2 Sess., p. 1420; Report of Ways and Means Comm.

² Am. Ency., Vol. XVI.

ever cause it came, it brought debt and stagnation of business to the Hawaiian merchants.¹ The Civil War had affected the commercial interests of Hawaii in yet another way. The northern blockade, by cutting off the cotton supply of England, had turned her attention to Hawaii as a possible new source for getting cotton. Commissioners had been sent out and had found, upon experiment, that the cotton grown here was not inferior to that of the Southern States either as to quality or as to quantity per acre.²

England then seems to have assiduously cultivated the friendship of the Hawaiian king, and to such good purpose as to completely displace the American influence with the King and with the royal family, and American diplomacy had to be acknowledged a complete failure in this respect.³ Notwithstanding this, or rather on this account, application was made in 1864, by Hawaii, to renew negotiations for a reciprocity treaty. This application was not entertained, however, by the United States because of its probable effect on the public revenue.⁴

The English advisers of the Hawaiian king favored reciprocity with the United States as the best possible means of

¹ Number of whale ships touching at Hawaiian ports 1850-76, from Hawaiian Almanac and year-book :

	No. ships.		No. ships.		No. ships.
1850	237	1859	549	1868	153
1851	220	1860	325	1869	102
1852	519	1861	190	1870	118
1853	535	1862	73	1871	47
1854	525	1863	102	1872	47
1855	468	1864	130	1873	63
1856	366	1865	180	1874	43
1857	387	1866	229	1875	41
1858	526	1867	243	1876	37

² Mr. McBride to Mr. Seward, Honolulu, Oct. 9, 1863 ; p. 376, Vol. 27, H. Ex. Docs., 1893-4.

³ Same, Vol. 27, p. 375.

⁴ Mr. Seward in response to resolution of the Senate, Feb. 4, 1864 ; H. Ex. Docs., Vol. 27, p. 377, 1893-4.

indefinitely postponing the subject of annexation.¹ Annexation was preferred, on the other hand, by the Administration. Secretary of State Seward, writing to Mr. McCook at Honolulu, September, 1867, concludes, "if the policy of annexation should really conflict with the policy of reciprocity, annexation is in every case to be preferred."²

The move to negotiate a reciprocity treaty in order to defeat the growing sentiment for annexation was very adroit. It was well known that an interest favorable to annexation would be active in Congress to defeat a reciprocity treaty, because reciprocity would tend to hinder an early annexation of the Islands to the United States.³

Yet in the face of this opposition, a reciprocity treaty was negotiated in 1867, upon the advice of the State Department, by Mr. McCook, our Minister to Hawaii, and by Mr. Harris, who had been appointed by the Hawaiian government for the purpose.

The treaty which they drew up was very similar to the uncompleted treaty of 1854, but it provided for a somewhat more liberal admission of American productions into the Hawaiian Islands free of duty, in return for the free admission into the United States of Hawaiian productions.

This treaty was ratified by the Hawaiian government July 30, 1867, but it never had the slightest chance of being approved by the United States Congress. It was endorsed by President Johnson, to be sure, as a means of finally acquiring the Islands permanently,⁴ but this endorsement did not increase the chances of its favorable consideration. Its provisions differed very little from those of the treaty that failed under more favorable circumstances in 1855. It

¹ Z. S. Spaulding, Chargé d'Affaires at Honolulu, to his father, a member of Congress, Apr. 14, 1879; Vol. 27, p. 388, H. Ex. Docs., 1893-4.

² Mr. Seward to Mr. McCook, Sept. 12, 1867; p. 384, Vol. 27, H. Ex. Docs.

³ Mr. Seward to Mr. McCook, Sept. 12, 1867; H. Ex. D., Vol. 27, p. 256.

⁴ President Johnson's Message to the Senate, Dec. 9, 1868.

did not provide any guarantee that the Islands should not pass under the control of some foreign power; it came up for consideration in conjunction with the San Domingo treaties and suffered by that association; and finally it came as a measure for decreasing the revenue of the country, only a little while after Congress had abrogated the Canadian reciprocity treaty because of its adverse effect upon the government receipts. It came, too, just before the congressional and presidential elections of 1868, when each of the political parties rested in the belief that economy and retrenchment in national finances would be the prevailing consideration with the voters in that election.¹ And if these objections were not enough, it came when the time and the attention of Congress was fully occupied by the problems of reconstruction.

The treaty was opposed by Senator Sumner, who was chairman of the Committee on Foreign Relations, and was rejected by the Senate June 1, 1870.²

The reciprocity treaty had failed, but the movement toward annexation went on. The sentiment in the United States in favor of annexation had a particular significance at this time. The unsettled Alabama claims had made a war with England a more or less remote possibility, and there was always the fear that in such case, England would use her influence with the Hawaiian king and officials to secure the Islands as a base of operations against the United States.

It was in this unsettled state of affairs that Mr. Pierce, United States Minister to Hawaii, wrote to Mr. Fish, Secretary of State, Feb. 25, 1871, to urge upon his attention the desirability of immediate annexation. The death of the present King, leaving no heirs or successors, would produce a crisis in political affairs, he said, which would be used to renew measures for annexation to the United States. The native population was fast disappearing, and the country and

¹ Confidential, Mr. Seward to Mr. Spaulding, July 5, 1868; p. 386, Vol. 27, H. Ex. D., etc.

² p. 256, Vol. 27.

sovereignty would soon be left to the possession of foreigners. After recalling what damage was done by British cruisers in 1812-14, from Bermuda as a base, he thought it not probable that any European power at war with the United States would refrain from taking possession of this weak kingdom in view of the great injury that could be done to our commerce through its acquisition.

At this same time, in 1873, the one topic of interest among all classes, officials, planters, and merchants, was what measures could be taken to arrest the decline of the kingdom in its population, revenue, agricultural productions and commerce. The panacea for all these evils, in the opinion of the Hawaiians, was to be found in a reciprocity treaty with the United States.¹ Yet they realized that a commercial reciprocity treaty, pure and simple, had no chance of success with the United States Congress.

In dealing with Hawaii, and in weighing the value of a close connection with her government and people, the United States was then governed by but one consideration; this consideration was, that the geographical position of the Islands would be the valuable stronghold of some nation in time of war. The United States did not want Hawaii, but if this was the only way to prevent some other power from occupying this strong position, the United States would be willing to acquire it. The whole history of the question up to 1898 has been the record of the pursuit by the United States of a policy of prevention and precaution, rather than one of acquisition. So long as there was no chance of their falling into alien hands, the United States was quite indifferent to the Islands. But whenever any such danger arose in the past there was at once renewed agitation for annexation.

The movement towards reciprocity, on the other hand, has always originated with the Hawaiians. They have no home demands for their products, and they are therefore obliged to look to the United States for a market. As their econo-

¹ H. A. Pierce to Secretary Fish, Feb. 10, 1873; S. Ex. Docs., 2d Sess. 53d Cong., Vol. 8, p. 148.

mic distress would be relieved equally by annexation or reciprocity, the Hawaiian merchant and planter was usually favorable to either, though he preferred annexation because of the greater stability it would give to business interests.

The Hawaiian Islands had little or nothing commercially to offer the United States in return for trade concessions, and the picture they presented of their economic condition at this time was one that very naturally caused statesmen to hesitate to make a commercial treaty with them. The population of the Islands including foreigners was, in 1872, 56,000, or about as many as are found in the average American town of the fourth class; of these 51,000 were natives. The total area was 6040 square miles, or about one-seventh the size of the state of Ohio.

In their genial sub-tropical climate, the lives of the people were simple, their wants few and easily supplied. "The daily life of the Hawaiian," says Nordhoff, "if he lives near the sea coast, and is master of his own life, is divided between fishing, taro planting, poi making, and mat weaving. All these but the last are laborious occupations; but they will provide abundant food for a man and his family. He has from five to ten dollars a year taxes to pay and this money he can easily earn. The sea always supplies him with fish; sea moss, and other food. He is fond of fussing at different things; but he also lies down on the grass a great deal—why shouldn't he? He reads his paper, he plays at cards, he rides about a good deal, he sleeps more or less, and about midnight he gets up and eats a hearty supper. Altogether he is a very happy creature and by no means a bad one."¹

This idyllic picture of peaceful sleep on the grass, card playing and late suppers is all that the fancy could wish, but of the 51,000 natives, whose life it pictures, very little might be hoped for in the way of industry which would develop the resources of their country.

There was the further consideration that the Hawaiians were practically self-supporting.

¹ Nordhoff, *Northern California, Oregon, and the Sandwich Islands*, p. 88.

"The population is not only divided among different and distant islands, but it consists for much the largest part of people who live sufficiently well on taro, sweet potatoes, fish, pork, and beef, all articles which they raise for themselves, and which they get by labor, and against disadvantages which few white farmers would encounter."¹

Yet kindly as nature seemed, she offered little encouragement to attempts to introduce other cultures, save sugar and rice, than these spoken of. "Coffee had been planted, and promised to become a staple of the Islands, but a blight attacked the trees and proved so incurable that the best plantations were dug up, and turned into sugar." "Sea Island cotton would yield excellent crops if it were not that a caterpillar devours the young plants so that its culture has almost ceased." . . . "The orange thrives in so few localities on the Islands that it is not an article of commerce; only two boxes were exported last year." . . . "A burr worse than any found in California discourages the sheep raiser in some of the Islands." "The cocoa-tree has been tried, but a blight kills it." . . . "I saw specimens of the cinnamon and allspice trees, but again I was told that the blight attacked them." . . . "Wheat and other cereals grow and mature, but they are subject to the attacks of weevil so that they cannot be stored or shipped." . . . "Silk-worms have been tried but failed." . . . "The Puni coast of Hawaii is a district where for thirty miles there is so little fresh water to be found that travellers must bring their own supplies in bottles." . . . "Wells are here out of the question for there is no soil except a little decomposed lava. There are few or no streams to be led down from the mountains. There are no fields according to our meaning of the word."

The only occupation that may be called an industry was cattle-raising. "Take next the grazing lands. In many parts they are so poorly supplied with water that they cannot carry much stock." . . . "On Hawaii, the largest Island,

¹ Nordhoff, p. 93.

lava covers and makes desolate hundreds of thousands of acres, and on the other islands, except perhaps Kanai, there is corresponding desolation. But cattle are very cheaply raised . . . and stock owners are just now said to be the most prosperous people on the islands. Twenty-five thousand head of sheep make up the complete number of all the flocks on the Islands."¹

"Moreover there is but an inconsiderable local market. A farmer in Maui told me he had sent twenty bags of potatoes to Honolulu, and so overstocked the market that he got back only the price of his bags."²

These discouraging conditions make apparent to what an extent the Islands were commercially dependent on the outside world, and at the same time they show how necessary the profitable sale of their crop of sugar and rice would be to their prosperity.

I have quoted Mr. Nordhoff at length, because his book, the result of travel and residence in the Islands, came out in 1874, while the reciprocity treaty was under discussion. Congress was in possession of these facts, and this book was frequently referred to in the debates, but mostly to feather the quarts of sarcasm and ridicule which its opponents shot at this very vulnerable side of the proposed commercial treaty.³

Any treaty that could hope for success, therefore, could not lay much stress on the commercial advantage to be gained by the United States from commercial reciprocity with the Hawaiian Islands. Political advantage alone was what the Islands had to offer in return for the free admission of Hawaiian products entering the ports of the United States. The bargain then, if made, would have to take this form. If, for the protection of the United States, the Hawaiian Government could furnish to them, by treaty, the means of preventing the Islands from passing into the hands of a European power, as there was reason for thinking that

¹ Nordhoff, pp. 93-4.

² Nordhoff, p. 93.

³ See Congressman Kelley, Cong. Record, p. 1495, vol. 4, pt. 2, 44 Cong., 1 Sess.

they might,¹ the United States would favor the commercial interests of Hawaii by admitting her productions free of duty. American productions might be admitted free in return to Hawaiian ports, but this was of secondary advantage as compared with the political advantage secured to the American government.

Having learned in 1855 and 1867 the futility of offering simply commercial reciprocity, the Hawaiians in 1873 were willing to offer as a *quid pro quo* for free trade privileges, the cession of sovereignty and proprietorship of the spacious land-locked and easily defended harbor known as Pearl River,² situated ten miles from Honolulu, and to give as well

¹ An Englishman, a little over a year ago, loaned this Government \$90,000 for ten years at ten per cent. per annum, interest to be paid annually. This Government, in all probability, will not be able to pay more than the interest, if that, and will be more likely to hypothecate lands to Englishmen, or to the English Government. Such an event would be a sufficient excuse for England (Napoleon-like) to take and hold these islands as an indemnity, and everybody knows what the result would be.—Mr. McBride to Mr. Seward, Honolulu, Oct. 9, 1863.

National Debt Nov. 20, 1874, was \$372,300, falling due at different periods up to 1873. Hawaiian Year Book 1875.

TABLE OF REVENUES AND EXPENDITURES OF HAWAIIAN KINGDOM FOR EACH BIENNIAL PERIOD FROM 1856-7 TO 1872-3.

	Receipts.	Expenditures.	Deficit.	Balance.
1856-7	639,000	666,000	27,000	.....
1858-9	655,000	643,000	.....	12,000
1860-1	668,000	681,000	13,000	.....
1862-3	688,000	666,000	.....	12,000
1864-5	728,000	582,000	.....	146,000
1866-7	831,000	834,000	3,000	.....
1868-9	834,000	934,000	99,000	.....
1870-1	964,000	969,000	5,000	.....
1872-3	1,136,000	1,192,000	55,000	.....

This table shows that Hawaii was getting deeper into debt each year, and if compelled to make a large loan, might be tempted to give a lien on national property as security to some foreign power.

² H. A. Pierce to Secretary Fish, Feb. 10, 1873; S. E. Docs., 1892-3; Vol. 8, p. 148; and

Gen. J. M. Schofield and Col. B. S. Alexander, Rept. to Secretary of War Belknap, May 8, 1873; S. Ex. D. 2d S. 53 C., Vol. 8, p. 153-4.

the territory ten miles square which surrounds it. Further on it will be considered why this cession was not accepted.

The King and those who were in power would never consent to annexation, for this would mean that they would all be retired from the stage of action when the United States came to substitute a republican for a monarchical form of government. But the economic condition of Hawaii was so desperate, that if the royal objection alone stood in the way, the merchants, planters and foreigners generally were represented as being willing to overthrow the government, establish a republic, and then seek admission to the United States.¹

This annexation clamor in Hawaii did not, however, arouse much response in the United States. It was here believed that an arrangement preferable to annexation was one by which a political concession should be made in return for commercial privileges, and what seems to indicate that up to this time the commercial value of the Hawaiian Islands had been ignored, is found in a letter written by Secretary Fish to Mr. Pierce, asking for full and detailed information, with respect to the population, trade, industry, resources, debt, etc., of the Hawaiian Islands inasmuch as the United States government had no such information at that time.²

The outlook was indeed favorable for a treaty. But there was nothing new in the trade conditions of Hawaii, and there seemed just then to be no urgent political reason why the United States should take action. She already controlled the carrying trade between San Francisco and Honolulu, sold to the Hawaiians almost everything they bought, and was obtaining a satisfactory revenue upon all the productions of the Sandwich Islands sold in return to the United States. It was quite probable that unless something threatened to disturb this *status quo*, that the want of interest on the part of the Senate would cause the negotiations to fail,

¹ H. A. Pierce to Secretary Fish, Feb. 17, 1873 ; S. Ex. Doc., 53 C. 2 S., Vol. 8, p. 149.

² Secretary Fish to Mr. Pierce, March 25, 1873.

not through any specific objections, but for lack of sufficient incentive to secure a vote. There was, however, an incentive at hand which was enough to insure the success of the treaty.

This was the knowledge which reached the administration, that, having found by experiment that they could dispose of their sugar to a much greater advantage in the free trade ports of Australia, the Hawaiian planters were preparing to send thither their whole crop of 1875-6. Sugar was the chief export of the Islands, and with this sugar they had bought manufactured goods in the United States. But if on account of the United States tariff on sugar this trade was diverted into English ports and was carried on in English vessels, the Hawaiians would no longer be bound by commercial ties to the United States, and the island trade would certainly drift to English control, and the Islands themselves would in time become a dependency of Great Britain.

It was this knowledge¹ that secured favorable consideration for a reciprocity treaty whose fate without it would have been problematical at least.

The negotiation of the treaty was taken in hand by the State Department, and was carried on by Mr. H. A. P. Carter and Mr. E. H. Allen for the Hawaiian government.

The suggested cession of Pearl River Harbor was not made by the Hawaiian government. This was possibly due to the fear of the political complications with England which such a cession would bring, by which the whole treaty might be jeopardized. For the difficulty of carrying through such a provision in the United States and in Hawaii would be greatly increased by the pressure which England would bring to bear in her own interest to prevent the United States from getting a foothold which would practically give her permanent control. If this was the reason for the moderation of the commissioners, and I think it was, they exercised a wise foresight; for by stipulating as they did in the treaty (Article IV), that the Hawaiian government should not

¹ Senator Morgan, Rept. 53 Cong., 2 Sess., Doc. 231, Vol. 8, pt. 8.

make any concession by which a foreign nation might secure a foothold, it was made possible for the United States to obtain further concessions later without placing the whole negotiation in danger of defeat.

Besides the political stipulation, which was the most important so far as the United States is concerned, provision was made for the free admission to Hawaii of a great variety of American manufactured articles, and for free admission to the United States of the natural products of Hawaii.¹

The text of the treaty having been agreed upon between the two governments, it was ratified by the Hawaiian legislature, and upon being submitted to the Senate was ratified by an almost unanimous vote of 51 to 12. But this vote was not final. In consequence of its abolition of the duty then imposed by law in the United States on the articles enumerated in the schedule, the treaty required an act of Congress to carry it into effect, and not only was the consent of the House required, but the bill to put the treaty into operation must originate there.² The government records do not contain the debates in the Senate on the treaty, but on the bill itself we have the debate on the merits of the treaty in both the House and in the Senate.

January 16, 1876, Mr. Luttrell of California introduced a bill (H. R. No. 612) for carrying the treaty into effect. This was referred to the Committee on Ways and Means.³ February 24, 1876, this committee returned a majority report that the bill pass, and a minority report against it.

The majority report dealt with the loss of revenue and the commercial side of the treaty only in a negative way, urging that it would do no harm, and that very favorable results might follow. But the majority rested their case on the only really vital point in the treaty, that, although it did not secure to the United States any new foreign trade, and although it did not give the United States possession of the

¹ See Appendix for text of treaty.

² Cong. Record, Vol. 4, p. 1420, 44 Cong., 1 Sess., 1875-6, pt. 1.

³ Cong. Record, 44 Cong., 1 Sess., 1875-6; pt. 1, Vol. 4, p. 300.

Islands, the treaty did secure them against the occupation of Hawaii by any other power. The minority report vigorously attacked the commercial side of the treaty, and had no difficulty in making a commercial treaty with such a country as Hawaii appear absurd as a business proposition.

Commercially, the first and almost the only interest was in Hawaiian sugar, and as sugar formed the bulk of Hawaiian exports, the whole question revolved about these points: first, how would the introduction of free sugar into our ports from Hawaii affect our foreign and domestic sugar trade, and what would be the incidental loss to the United States revenue; second, what would be the value of the political foothold secured to the United States by the treaty. As the argument of those who favored the treaty in Congress followed very closely the points made by the majority report, and as those who opposed it followed the minority report, it will be well to consider them each in detail, taking first the report of the majority.

This report includes a letter from the Secretary of the Treasury which relates to the commerce of Hawaii with the United States, and is favorable to the treaty.

"The conditions," it says, "attending this commerce appear to be such as to render it of greater value to the United States in proportion to its volume than is usual with countries similarly situated and producing sugar as a staple. So far as the exchange of articles is concerned, there is an equivalent to be found in our export trade for the value of sugar and other articles imported. Such is not the case with most of the tropical islands or sugar-producing countries of either hemisphere."¹

¹ Value of Hawaiian trade as compared with other sugar countries :

Hawaii.

Hawaiian Islands export to U. S. \$1,139,725

They import from the U. S. 836,000

The imports are over 75 per cent. of their exports.

China.

China exports to U. S. \$26,353,291

China imports from U. S. 1,931,732

Imports about 7½ per cent. of the exports.

“The trade between the United States and the Hawaiian Islands taken for five years shows a balance in favor of the Hawaiian Islands.”

	U. S. imports from Hawaii.	U. S. exports to Hawaii.
1871	\$1,153,154	\$840,385
1872	1,285,320	620,295
1873	1,316,270	654,103
1874	1,017,172	623,280
1875	1,227,191	695,364 ¹

“The amount of this trade is inconsiderable, and is chiefly in tropical and semi-tropical products as imported, and in miscellaneous products of the United States as exported. This reciprocal trade is better than free trade, for while it increases the trade of the contracting parties, and concentrates it in their hands, it is a restraint on the trade of other countries because they have duties and other charges to pay from which the parties to this reciprocal treaty are free.²

Dutch East Indies.

Dutch East Indies export to U. S.	\$7,556,954
They import from U. S.	255,134
Imports less than 4 per cent. of exports.	

Cuba.

Cuba exports to the U. S.	\$77,469,826
Cuba imports from the U. S.	1,397,729
Imports not 2 per cent. of exports.	

British East Indies.

British East Indies export to U. S.	\$16,855,747
They import from U. S.	165,270
Imports not 1 per cent. of exports.	

Spanish Possessions other than Cuba.

They export to the U. S.	\$6,171,635
They import from the U. S.	17,570
Imports less than $\frac{1}{4}$ of 1 per cent. of the exports.	

Letter from Secretary of Treasury on Hawaiian trade, p. 1420, C. R., Vol. 4, 44 Cong., 1 Sess.

¹ C. R., p. 1420. Letter of Secretary of Treasury. Found also in *Commerce and Navigation* for the respective years.

² Secretary of Treasury, p. 1420, C. R., Vol. 4, 44 C., 1 S.

The amount of goods released from duty to the United States is small, \$370,000 being the total annual revenue from Hawaiian imports."¹

It will thus be seen that the Secretary of the Treasury did not attach much importance to the loss of revenue as a result of the treaty. "The proposed release of this duty," he says further, "would undoubtedly increase this trade, and its increase would go far toward compensating for the loss resulting from the release of sugar from duty."

That is to say, that with the duty removed, the Hawaiians would increase their production of sugar, and would therefore have greater means with which to purchase in return the articles manufactured by the United States. In the report this letter of the Secretary of the Treasury is made to answer for an argument in favor of the treaty; this finished, the report thus continues its own argument. The admission of Hawaiian sugar could not have the least effect on the sugar market in the Atlantic States, for it is impossible that this sugar could in any way come into competition with it.² The cost of transportation would be too great to make it

¹ The Secretary of the Treasury states further:—

"The effect on the revenue of admitting the articles named in the schedule free of duty is, first, to remit the amount levied on sugar, the quantity of which was in 1873 (fiscal year), 15,743,146 pounds, on which the duty at two cents per pound is \$314,863 and inclusive of a small amount of other saccharine products (molasses and mecado) it amounts to \$320,345 in all on this class of articles. This is also nearly the average for three years, ending 1873. The duty on other articles imported and included in the schedule of articles to be admitted free is small in amount including none of conspicuous importance. The aggregate received is less than \$50,000 per year. The entire release of duty proposed by the treaty therefore would be nearly \$370,000 yearly."

"Should the sugar-product so released increase to 25,000,000 pounds yearly," he continues, "the export trade would probably equal it in value."—C. R., p. 1420, 44 C., 1 S.

² Whole importation of sugar into the United States:

		From Hawaii.
1873	766,648 tons.	7,404
1874	797,153 "	6,787
1875	847,910 "	8,944

profitable, and further, there need be no occasion for fear in the great increase in the production of this sugar in view of the steadily diminishing population of the Islands.

The report then takes up the consideration of the immediate occasion for a treaty.

'This trade,' it says, 'is being diverted into another direction; already a large proportion of it has been attracted to the British colonies in the Pacific. In 1873, the total export of sugar from the Hawaiian Islands was 11,595 tons, of which 4,191 tons were sent to British colonies, and of the imports of the same year more than one-half was from other countries than the United States. At the present time, a great number of British, American, and Hawaiian vessels annually enter Australia and New Zealand ports with sugar cargoes. The greater part of these enter at New Castle and Sidney, thence take coal freights back to the islands. The United States will lose this trade and its \$400,000 of revenue if the trade is not retained by the adoption of the treaty. If the exports and imports were equal, as they probably will be, it would be an equal bargain. . . . But supposing that there were no reciprocity of commerce in this treaty, that the commerce and advantages were against us, and that we lose even \$400,000 annual revenue, yet there are political reasons of sufficient magnitude to warrant us to make it. This is their geographical position in relation to our Pacific coast, and to the countries adjacent to the Pacific Ocean. This group is the key to the Pacific and in time of war the power that possesses them controls all the commerce of the Pacific to destroy it at pleasure.' The discussion of this last point occupies quite half of the majority report.

The report of the minority is by far the abler paper, and shows a much firmer grasp of the trade relations between the United States and the Hawaiian Islands, and the results which might be expected from the operation of the treaty. It uses many of the facts cited by the majority report but draws very different conclusions from them. Its argument, in brief, is as follows:

The United States imports from the Hawaiian Islands for 1875 were \$1,227,191, from which the United States received a revenue of \$456,777. The total exports of United States merchandise to the Hawaiian Islands for that year were \$665,174, not one-third in excess of the amount of the annual revenue received by the United States by their commerce with the Islands. The treaty proposed to give away this sum chiefly to the sugar interest of the Islands. That is, giving and remitting nearly one dollar of duty to the Islands for the privilege of selling goods worth a like sum.

Of the commerce with the Hawaiian Islands the sugar product is of chief value, the quantity sent to the United States being \$938,676 out of a total import of \$1,227,191: more than three-fourths of the whole. The production of this article is rapidly increasing. It increased from 1,444,271 pounds in 1860 to 28,000,000 pounds in 1875.

The United States will receive their entire crop, because by remitting the duty on sugar they will give a bounty of two and two-fifths cents per pound to the producers of sugar. The production of sugar encouraged by this bounty, which is about fifty per cent. *ad valorem* on the market price, will average not less than 500,000,000 pounds annually. This is the quantity at which the Hawaiian commissioners fix the sugar production of the Islands.

The supply from other islands in the Pacific will be cut off to the same extent as the United States are so supplied. Thus the government will suffer a diminution of revenue from products of other Pacific islands, which, but for the supply from Hawaii coming in free, would pay a duty of two and two-fifths cents per pound. And thus it is that by reason of this treaty admitting Sandwich Island sugar free, the United States will suffer a loss of \$1,200,000 per annum on sugar alone: a sum nearly equal to the whole trade of the Islands with all foreign countries, which, in 1873, was only \$1,155,800.

If the United States should secure the whole trade of the Islands by the treaty, it would be at the cost of a dollar for the privilege of selling goods of the value of another, and

during the seven years continuance of the treaty, could it be ratified, it would cost at least \$10,000,000. Nor would this result in cheaper sugar. The quantity imported is only one per cent. of the consumption of the United States, nor could it exceed, for natural causes, five or six per cent. of this consumption; and this could not reduce the price in the American market.

Moreover this benefit will all inure to the sugar planters, for the reason that this treaty artfully provides that the Sandwich Islands shall lay no export duty. The sugar planters, therefore, get the two and two-fifths cents per pound bounty, which is remitted, and, as has been shown, without a reduction of the market price.

By the most favored nation clause in treaties already in existence with other sugar-growing countries, the same exemption from duty upon sugars grown in such countries will accrue to them as is allowed by this treaty to the Hawaiian Islands. The total revenue for the year ending June 30, 1875, upon sugar and molasses imported into the United States from all countries, was \$38,000,000. This duty will be remitted by the treaty.

While unrefined sugars of the growth of Louisiana may not be exported to the Pacific coast, refined sugars may be, and are. Thus the sugar refiner on the Pacific coast, getting his raw sugar free, has an advantage of from forty to sixty-five per cent. over the sugar refiner of the Atlantic coast, who pays duty on his raw sugar.¹

The list of free goods which the United States may export to the Hawaiian Islands contains bricks, shrubs, trees, rice, sugar, wool, and very many articles which the people of the Islands do not need or which they supply themselves;² while

¹ There is of course an inconsistency in the argument here, as the sugars of other countries were to pay no taxes under "the most favored nation clause."

² The report here overlooks the fact that under the treaty there will be a change of occupations. Every one will begin to raise sugar and rice, and this in return will make them more dependent on the United States for supplies.

liquors and spirits and ready-made clothing, which made up one-seventh of American exports to Hawaii, are omitted. Many of the articles to be admitted without duty into the Islands, the United States would sell to them at any rate. The greater proximity of the United States to the Islands makes them safe in competition with other producers of like articles, and a large number of important articles which they could supply, are not admitted free.¹ The duty imposed upon imports under the Hawaiian tariff is not so high as to operate to the detriment of American commerce.²

The minority report opposed the suggestion of annexation as a means for securing the political end urged by the majority report. For, although it agrees with the majority that it is necessary to prevent the Islands from being occupied by a foreign power, the report denies that the provisions of the treaty provide for such necessity.

In spite of some inconsistencies, the minority report presents much the stronger argument. The important point to be noticed, however, is that both reports agree as to the political needs of the situation, as it was upon this political question almost entirely that the vote was taken. For, quite ignoring the very valid objections offered to the commercial side of the treaty, and in spite of the well sustained argument that the United States was bound to lose money by the transaction, the House voted for the bill to carry the treaty into effect.

This seems to me to indicate that by the treaty the United States hoped primarily to secure political control of the Islands, and that they expected from the first to have to pay for it in such balance of trade as should be against them in this commercial deal with Hawaii. The speeches, too, upon the bill clearly indicate this attitude of mind on the part of Congress. And, while those in favor of the bill dwelt on the condition of the Islands at that time as a menace to our national safety, those opposed to it demonstrated that a great

¹ This was due to the need of revenue by Hawaii.

² It averaged ten per cent.

loss of revenue to the government could not be avoided. Both were right, but the final vote seems to show that in balancing the financial loss against the political gain, the latter was the weightier consideration.¹

¹ "We are endeavoring to acquire these islands for strategic purposes, not for agriculture, not for commerce, except as they are a resting point in the Pacific ocean."—Senator Norwood, p. 5563 C. R., 44 C., 1 S.

"This article (IV) is the soul of the treaty. The commercial regulations proposed are of no consequence to us whatever; they are of no importance to any section of our country or any portion of our people except those of the Pacific coast."—Senator W. P. Banks, Appendix C. R., vol. 4, pt. 6, 44 C., 1 S.

"The question now pending before this committee is a question not so much between the United States and the Kingdom of Hawaii as between the United States and Great Britain. . . . It does not admit of argument that Great Britain wants possession of these islands. She is now negotiating for the possession of them. She has looked upon them for years and coveted them and the only reason why she has not had possession of them at this time is because she has not been able to get possession of them."—Mr. Leavenworth, p. 1600 C. R., 44 C., 1 S.

"I pass that (the commercial interest) . . . to another consideration which is overshadowing. The political consideration in its broad sense, the consideration of the defense of our Pacific possessions, the consideration that in the Pacific ocean there is an outpost in the shape of an inhabited group of islands, capable of great defense, of being made strong like Gibraltar, capable of great offense against our commerce in the Pacific waters, a base of supplies better than any of those that were used by the cruiser during the war of the rebellion under the countenance of England to prey upon our commerce, an outpost that in the hands of an unfriendly power would be a continual menace to the safety of our Pacific possessions and could be used for the destruction of our commerce."—Senator Sargent, p. 5485, C. R., 34 C., 1 S.

. . . It is assumed as the basis and origin of the treaty that the Hawaiian government will be unable to maintain its separate and independent organization upon its present resources for any great length of time. They will be compelled to make arrangements with Germany, France or Russia or with Polynesia, and receive from them the advantages of trade which we refuse them, with loans of money or other advantages indispensable to the perpetuity of its government, sacrificing its independence and our security therefore. They will be compelled to merge with them and with that will go their trade as well as

In the debate which followed the report of the Ways and Means Committee on the bill, the strictly commercial side of the treaty did not come in for so much discussion as the political side and the loss to the government in revenue, but the opposition did not fail to show that the list of free goods, although it was long and imposing, was largely padded with articles either free by ordinary laws, or having little external political influence and territorial possessions of that government."—N. P. Banks, p. 55, Appendix C. R., 24 C., 1 S.

"The king of Hawaii sees and all his people see the time is coming when the autonomy of that government cannot be protected and continued. The time is coming rapidly when they will have to lean on some power. This treaty is negotiated with reference to such a result. Now the question is whether that power shall be the United States or the Kingdom of Great Britain."—Mr. Leavenworth, p. 1600-1 C. R., 44 C., 1 S.

"Now in order to satisfy myself as to what vote I should give upon this measure I need only confine my attention to this one single point and I will cheerfully vote for this bill."

"If we don't accept this treaty, beyond all question a similar treaty will be accepted by the British Government. . . . Such treaty as this if made with England would not exist for thirty days before the harbor of these islands would be entered by English war vessels for the purpose of protecting English commerce."—Mr. Dunning, p. 1604 C. R., 44 C., 1 S.

"It is the simple logical result of the rejection of this treaty that before many months these islands will be taken, controlled and dominated either by England or by France, and it is for us to say whether we shall consent to that alien union by rejecting this offer, or by closing with it ourselves make that other union impossible."—Mr. Garfield, p. 2273 C. R., 44 C., 1 S.

"These islands in the North Pacific are the outposts of the Western Coast of the United States of America, and in time of war they are like the hill or the stream of water that I have described, to the United States of America; and there the battle would occur for the possession of the islands as a coaling station, and every man who has thought on this knows it to be a fact.

. . . If we do not ratify the treaty and pass a law carrying out the existing stipulations of the treaty and by that means have the friendly relations existing between that government and ours that would naturally give us that right . . . we are prevented from getting possession of that which is desirable to this country."—Senator Logan, p. 5570 C. R., 44 C., 1 S.

change value.¹ Attention was called to the fact that ready-made clothing, which made one-eleventh, and wines and liquors, which made one-twentieth of the exports of the United States to Hawaii, did not appear on the free list.

"If we do not secure this trade Great Britain will, and we will not only lose \$450,000 revenue but the entire trade itself."—Mr. Wood, p. 1425 C. R., 44 C., 1 S.

"Reject this treaty and its friendly offers, and the islands must inevitably pass under British policy and British control."—Mr. Jacobs, p. 1465 C. R., 44 C., 1 S.

"Further in case of war it would be exceedingly important . . . that the right to occupy any portion of these islands by foreign nations should be prohibited. I would prefer . . . that there had been in this treaty a direct concession of a port, for instance, the port on Pearl River, . . . Practically, however, it will secure this advantage."—Mr. Burchard, C. R., p. 1494, 44 C., 1 S.

" . . . for it is asserted now and it is true as it has been whenever the making of such a treaty has been attempted, that the treaty is but a preliminary step to the acquisition of these islands—and a greater calamity could not well befall us than that same acquisition."—Mr. Kelley, p. 1495 C. R., 44 C., 1 S.

"The Hawaiian treaty was negotiated for the purpose of securing political control of those islands, making them industrially and commercially a part of the United States, and preventing any other great power from acquiring a foothold there, which might be adverse to the welfare and safety of our Pacific coast in time of war."—Senator Morgan in Sen. Rept., Vol. 2, p. 103, 53 C., 2 S.

" . . . for the mere sake of creating an abstention on the part of other powers that they will not take possession of those islands, you will have paid out of the Treasury of the United States at the very lowest limit \$14,000,000.

"I recognize the importance of making these islands an inherent part of our republic. I understand that, and I say that in my opinion now is the right time to strike, now is the fit time when trembling in the balance they see their sovereignty about to depart from them, we can, with less money than is required to be granted to them as a subsidy, buy the islands out and out, and be the undisputed sovereign of the country."—Senator West, p. 5491 C. R., 44 C., 1 S.

"What is it pretended that the islands can give us in return? Their trade. But it has been shown that it does not amount to anything and never can of importance, not as much as the trade of one good county or fourth-rate city."—Mr. Morrison, p. 1491 C. R., 44 C., 1 S.

¹ Mr. Morrison, p. 1491, C. R., 44 C., 1 S.

This was explained by Mr. Money,¹ that as the universal import duty in the Hawaiian Islands was ten per cent. and as we had a protective tariff of from forty to two hundred and forty per cent. on clothing and cloths used in manufacturing clothing, we could not hope to compete with England in the Hawaiian Islands, and that the free admission of spirits was objected to by the Hawaiian authorities, not upon commercial but upon moral considerations. The list of free goods was further objected to because many of the articles enumerated were admitted free into both countries whether there was reciprocity or not.² The explanation for this is found in the fact that unless there was some special reason for objection on the part of one government or the other, an article admitted free to one country was to be admitted reciprocally free to the other. It is for this reason that some articles are often found in both lists.

Hawaii could not give the United States absolute free trade, as she depended largely upon her import duties for revenue to meet the government expenses. It was because of the revenue which Hawaii was thus remitting that the United States placed no conditions in the treaty that Hawaii should not increase the tariff on her remaining imports. But Hawaii did agree not to lay any export duties on the articles admitted free to the United States. Thus it was hoped that Hawaiian exports to the United States and United States exports to Hawaii would be cheaper under the treaty than before. If this result was actually obtained, and lower prices

¹ C. R., 44 C., 1 S., p. 2271.

² Of the articles admitted free to Hawaiian ports the following were admitted free of duty from all countries: animals, coal, sheathing, and all descriptions of sheathing metals, pig iron, plate iron, $\frac{1}{8}$ of an inch thickness and upwards, books printed in Hawaiian language and plants and seeds not for sale.—H. Rep., No. 1759, p. 6, Vol. 6, 49 C., 1 S.

Of the articles admitted free into U. S. ports, the following were admitted free from all countries: plants, tropical and semi-tropical, for the purpose of propagation or cultivation; hides and skins, undressed seeds (specified).—H. Rep., No. 1759, p. 5, Vol. 6, 49 C., 1 S.

followed, then it could be properly argued¹ that the government revenue remitted by the treaty, instead of being lost, or given away, remained where it properly belonged, in the pockets of the people; but if the price did not become lower, and neither government obtained a revenue, then the remission of the duty became purely a bonus or subsidy to those who profited by the treaty.

It was expected that the effect of the treaty as a stimulus to trade would be local. The bankers, commission men, shippers, and sugar refiners in California would be most benefited, it was thought, and, as Hawaii used considerable timber and lumber, it was expected that the mills of Oregon and Washington Territory would monopolize this trade, and shut out British Columbia from competition.²

In answer to the objection that under the most favored nation clause every sugar-growing country with whom we had such treaties could claim free admission for the same products that the treaty admitted free from Hawaii,³ Mr. Wood of New York⁴ showed, by quoting from examples of such treaties, that this privilege could be claimed only when the concession was made gratuitously, without an equivalent, "or in return for a compensation as nearly as possible of proportionate value and effect to be adjusted by mutual agreement, if the concessions have been conditional." He did not show, however, that these countries could make like concessions, and really force an unequal exchange upon the United States without the compensating political benefit contained in the Hawaiian treaty.

The value of all these arguments can be accurately gauged by the subsequent history of the treaty. But there was a final objection to this reciprocity treaty which has come up in connection with every treaty of this kind with which

¹ W. C. Bryant, N. Y. Post.

² Mr. Jacobs, Delegate from Washington Territory; p. 1456, C. R., 44 C., 1 S.

³ See Minority Report.

⁴ Mr. Wood; p. 1425, C. R., 44 C., 1 S.

Congress has had to deal. This is the constitutional objection which is discussed in a subsequent chapter.¹

When the bill was finally voted on in the Senate August 14, 1876, after having been previously passed by the House of Representatives, it was carried by a vote of twenty-nine yeas to twelve nays.²

¹ See Chapter "The Treaty-making Power of the House of Representatives."

²H. R. Bill, No. 612 ; Senate.

Nays.

Bogy (D), Missouri.	Whyte (D), Maryland.
Cooper (D), Tennessee.	Norwood (D), Georgia.
Key (D), Tennessee.	Patterson (R), South Carolina.
Davis (D), West Virginia.	Morrill (R), Vermont.
Jones (D), Florida.	West (R), Louisiana.
Cockrell (D), Missouri.	Booth (Ind), California.

Yeas.

Allison (R), Iowa.	Jones (R), Nevada.
Burnside (R), Rhode Island.	Logan (R), Illinois.
Christiancy (R), Michigan.	Mitchell (R), Oregon.
Eaton (D), Connecticut.	Paddock (R), Nebraska.
Harvey (R), Kansas.	Saulsbury (R), Delaware.
Kernan (D), New York.	Wadleigh (R), New Hampshire.
McMillan (R), Minnesota.	Dawes (R), Massachusetts.
Oglesby (R), Illinois.	Freylinghuysen (R), New Jersey.
Sargent (R), California.	Kelly (D), Oregon.
Stevenson (D), Kentucky.	McDonald (D), Indiana.
Anthony (R), Rhode Island.	Morton (R), Indiana.
Boutwell (R), Massachusetts.	Randolph (R), New Jersey.
Cameron (R), Wisconsin.	Spencer (R), Alabama.
Cragin (R), New Hampshire.	Windom (R), Minnesota.
Ferry (R), Michigan.	

Full Senate, 74 ; Rep. 42, Dem. 29 ; Ind. 2.

H. R. Bill, No. 612 ; Senate.

Paired.

Yeas.

Nays.

Clayton (R), Arkansas.	Withers (R), Virginia.
Wright (R), Iowa.	McCreary (D), Kentucky.
Barnum (R), Connecticut.	Gordon (R), Georgia.

The vote cast was mainly a party vote. Of twelve nays, eight were cast by Democratic senators; and of the twenty-nine yeas, twenty-four were cast by Republican senators. Geographically the line was not so sharp, although the vote against the treaty was naturally from the southern states.

The treaty having been proclaimed, it was put into operation September 9, 1876, and would have seven years to run before notice could be given for its termination. The results of these years will show how far the treaty fulfilled expectations; but before considering the results of the operation of the treaty, as to whether it was a success or a failure, it will be well to review the arguments that were used for and against the treaty, when it was being debated in Congress.

The main arguments in favor of the treaty were these;

1. The treaty would protect the United States by shutting out other nations.
2. The trade of the Islands would otherwise go to Great Britain, and Great Britain would finally control them.
3. The exports and imports would be equal under the operation of the treaty.
4. There would be a great increase of trade between the two countries.

H. R. Bill, No. 612; Senate.

Absent.

Dennis (D), Maryland.	Sherman (R), Ohio.
Goldthwaite (D), Alabama.	Conkling (R), New York.
Johnston (D), Virginia.	Dorsey (R), Arkansas.
Ransom (D), North Carolina.	Hamilton (R), Texas.
Bayard (D), Delaware.	Howe (R), Wisconsin.
Maxcy (D), Texas.	Robertson (R), South Carolina.
Thurman (D), Ohio.	Bruce (R), Mississippi.
Merriman (D), North Carolina.	Conover (R), Florida.
Wallace (D), Pennsylvania.	Edmunds (R), Vermont.
Hitchcock (R), Nebraska.	Hamlin (R), Maine.
Aleam (R), Mississippi.	Ingalls (R), Kansas.
Cameron (R), Pennsylvania.	Sharon (R),

24 absent or not voting.

5. The shipping interests on the Pacific, the bankers, merchants, commission and insurance men of the Pacific coast would get the benefit of the increased trade.

6. The output of sugar would not be increased to the detriment of sugar interests in the United States, because of the natural limitations of the Hawaiian Islands, and because the population was rapidly decreasing.

7. The sugar admitted would not compete with Louisiana sugar because California consumed all that was sent from the Hawaiian Islands, and the cost of transportation was too great to send sugar from the south or west.

8. The loss in revenue to the United States would be inconsiderable.

The chief arguments against the treaty were as follows:

1. The treaty does not secure for the United States any political hold upon the Islands.

2. The duty remitted by the treaty would be a bonus to encourage the production of sugar in the Hawaiian Islands.

3. The imports and exports would not be equal, for the importation of sugar would be greatly increased by this bonus without any corresponding increase in the exports.

4. The United States, by giving up the revenue on the articles admitted free by the treaty, would pay one dollar for the privilege of trading to the value of another dollar.

5. The loss in revenue to the United States would be very great, and would become greater as the value of the imports increased.

6. The treaty secured to the United States no trade which it did not already hold.

7. The list of articles admitted free by the Hawaiian government was of little importance to the United States, because some of them were free of duty by law, and the rest would be bought of the United States regardless of a treaty.

8. The price of sugar would not be reduced by the treaty.

9. It would in time come into competition with the United States sugar.

10. There was no guarantee against fraud on the part of sugar importers.

From 1876 to 1883, no unusual conditions presented themselves, as in the Canadian treaty, to hamper or to stimulate this trade. There was a growth of population in the Pacific states and the mileage of western railroads increased, but on the whole, conditions were normal, and the treaty had a fair chance. Yet as a commercial arrangement with an independent foreign power, the treaty cannot be said to have been a success from the point of view of the United States.

The benefits to Hawaii are undoubted. It developed the resources and enhanced the importance of the Hawaiian Islands in a wonderful manner. Out of a condition of poverty and bankruptcy, the treaty created a condition of opulence and prosperity. If Hawaii at this time is to be considered as distinct and separate from the United States and likely to remain so, then the effort and energy of the United States government had been expended in developing the resources of a foreign power, with little return to her own people, and at a great loss of revenue. But if we assume, what was the actual condition, that the reciprocity treaty of 1876 established a virtual protectorate over Hawaii, and that with the increase of American population and American capital, Hawaii was becoming more and more an American colony, then the treaty, as a long step toward the acquisition of the Islands by the United States, was a great success, and the United States had developed wealth and industry that of necessity must be retained, and needed only a fitting occasion to be formally taken possession of.

CHAPTER III.

The Operation of the Treaty; the Extension of its Provisions, and its Renewal.

When the Forty-seventh Congress opened in 1882, there came from various parts of the country, chiefly from the sugar-raising sections, a long list of petitions¹ to abrogate the treaty with the Hawaiian Islands. These were presented to Congress and were followed by a number of bills introduced with the same object in view. They were referred to the proper committees, who, after carefully investigating the facts, brought in their reports for or against the treaty. As there was very little debate on the subject, it is in these reports that we find the facts concerning its operation, and the contemporary estimate of the treaty in Congress.

The first report to be considered is the report of the House Committee on Foreign Relations, submitted by Mr. Kasson, January 16, 1883, for the majority of the committee. This report of the majority indicated what had been plain in the debates in 1876, that the political gain was the consideration

¹ Petitions for abrogating the reciprocity treaty with Hawaii presented by

Citizens of Georgia.
Citizens of Louisiana.
Citizens of North Carolina.
Citizens of South Carolina.
New Orleans Chamber of Commerce.
New Orleans Cotton Exchange.
New Orleans Mechanics and Traders Exchange.
New Orleans Produce Exchange.
Louisiana Sugar Planters' Association.
Baltimore Chemical and Fertilizer Exchange.
Citizens of New Jersey.
Citizens of New York.
New York Chamber of Commerce.
Citizens of Pennsylvania.
Philadelphia Board of Trade.
Board of Trade of Providence, Rhode Island.

List found in index to the Cong. Globe, p. 1118, Vol. 13, 47 C., 1 S.

which balanced the economic loss, and thus kept the treaty in force, but, the report held, this balance had been disturbed by the operation of the treaty. The committee stated that the relative advantages to the people of the two countries appeared to have essentially changed since the treaty went into effect. The change of these relations had been chiefly due to the very large increase in the production of sugar and other products of sugar cane in the Hawaiian Islands, and which had been exported to the United States under the treaty. The treaty, however, it declared, contained other stipulations in favor of the United States, the retention of which was believed to be of essential importance to the United States. These were, that the effect of the treaty had already been to give to this government the benefit of a satisfactory political influence with the government of the Hawaiian Islands, and it was desirable to retain this condition as well with reference to future as to present national interests. The committee believed that extraordinary measures on the part of our own government to prevent foreign domination might justly be taken. For the treaty in question was made, the report continues, with a view to the maintenance of our influence there, and to the naval as well as the commercial security of our interests in the Pacific.¹

Dissenting from the position taken by the majority of this committee, the minority brought in a report which expressed the general dissatisfaction felt throughout the country because of the economic results of the treaty, and on account of the supposed frauds in the entry of refined sugar as raw sugar, free under the treaty. It declared that if the allegations made respecting the practical workings of the Hawaiian treaty should turn out to be true, there had been carried on one of the greatest frauds which had ever been committed against the revenue of the United States.²

The report, Feb. 27, 1883, of Senator Morrill, Chairman of the Senate Finance Committee, which next appears,³ shows

¹ H. Rep., No. 1860, p. 2; 47 C., 2 S.

² H. Rep., No. 1860; Min. Rept., p. 3, 4; 47 C., 2 S.

³ Sen. Repts. 1013, Vol. 2, 1882-3, 47 C., 2 S.

how plainly the objections to the treaty in 1876 had been foreseen. He had opposed the treaty in 1876, and reported some of the objections then urged against it, and which were still valid in 1883. These were the loss of revenue to the United States; the fraudulent entry at the customs house as free sugar of sugars above the grades specified as free in the treaty, and which were properly subjected to duty; the fraudulent entry of sugars of China and India as of native Hawaiian growth; the constitutional objection to the treaty; and the danger of complications from the most favored nation clause. He represents so well the party opposed to the treaty that somewhat extended extracts from his very able report are given.¹

The treaty had admitted free of duty into the United States ports "*muscovado, brown and all other unrefined sugar, meaning thereby the grades of sugar heretofore commonly imported from the Hawaiian Islands and now known in the markets of San Francisco and Portland as Sandwich Island sugar.*" By this phraseology, the treaty intended to indicate certain definite grades of sugar known to commerce by these terms. This sugar was of a low saccharine intensity, and did not then compete with higher grades of sugar produced in the United States. Nor was it intended to admit refined sugars free under the treaty. The Hawaiian sugar to be admitted was the raw product demanded by the California sugar refineries, and manufactured by them into refined sugar on which there was a high protective tariff.

The market value of sugar is determined largely by its saccharine strength, but for convenience, the various grades of sugar and the duty on them were defined by law, and determined at the custom house by the color of the sugar, the duty increasing as the sugar grew lighter in color. This method of determining the grade of sugar by its color, and of levying the duty that corresponded to that color of sugar, was a safe and comparatively accurate method until the reciprocity treaty presented an inducement to fraud. For

¹ Appendix C.

it is apparent that if a high grade dutiable sugar could be so colored as to look like low grade free sugar, it would pass the custom house without challenge, and the importer would add to his profit the duty he had evaded. This was the fraud charged upon the treaty by its opponents. The enormous shipments of sugar, they said, were not of the grade specified in the treaty, and by artificial coloring, with fraudulent entries, refined dutiable sugar was coming into the United States free of duty, to the great detriment of American sugar interests, and of the government revenue.

The railroads were carrying a great deal more freight toward California at this time than they were taking away, and rather than run empty cars eastward they were willing to carry California sugar to the Mississippi at a much lower rate than they would give to merchandise traveling westward. This brought Hawaiian sugar, refined in California, into competition with the eastern and southern productions, and, as it was claimed, to the disadvantage of the latter, because refined sugar was being fraudulently admitted free under the treaty.

An official investigation, however, was not able to determine that these charges of fraud were well founded. There is indeed the probability that, under the temptation of gain thus offered, certain grades of dutiable sugar were entered free, but in any case the remedy obviously lay in a revision of the method of determining the different grades of sugar. This remedy was applied in the Act of March 3, 1883, by which the polariscopic test was made the test of sugars corresponding to those admitted free by the treaty, and the color test remained for the higher grades.¹

To discourage any attempts at fraud by artificial coloring, the same act provided that sugars after being refined, when

¹ All sugars not above number 13 Dutch standard in color shall pay duty on their polariscopic test. . . .

All sugars above number 13 Dutch standard in color shall be classified by the Dutch standard of color.—U. S. Stat. 47 Cong., 2 Sess., ch. 121, Act of Mar. 3, 1883.

tinctured, colored, or in any way adulterated, valued at thirty cents per pound, or less, should pay a duty of ten cents per pound. As the highest grade of refined sugars paid only three and one-half cents per pound duty, this means was efficient in preventing further frauds.¹

The Act of March 3, 1883, had also materially reduced the duty paid on all kinds of sugar. This, of course, diminished the estimated revenues that the government was remitting by the treaty, and made the margin of profit less to the importer of Hawaiian sugar.

But the price of sugar had not been reduced on the Pacific coast as a result of the treaty, and this fact was made the point of attack. The reason why the price did not fall is not hard to find, inasmuch as the price of Hawaiian sugar was determined by the lowest price at which the same kind of sugar from Cuba or Manila could be laid down in San Francisco after having paid the duty and the cost of transportation. The Hawaiian sugar planters naturally got all they could for their sugar, and the price of Manila or Cuban sugar represented the limit above which it was not safe for the Hawaiian sugars to rise. As Hawaii had been selling sugar in San Francisco at a profit before the treaty, and as the price of sugar did not fall after the treaty went into operation, the remitted duty must have represented just so much additional profit to the producer of sugar, inasmuch as the cost of production was no greater.

It seems difficult to escape this conclusion, although Senator Morgan in his report² made January 24, 1884, from the Committee on Foreign Relations, claimed that the profits of the sugar trade did not go so much to enrich the sugar planter as to the profit of the American shippers and merchants who handled the sugar. His position will be made clearer in a later report,³ but here his contention is that the greater part of the profit of this trade remained in the

¹ U. S. Stat. 47 Cong., 2 Sess., chapter 121.

² Senate Report, No. 76, 48 C., 1 S., Vol. 1, 1883-84.

³ Senator Morgan, S. Docs., No. 231; pt. 8, p. 233, 56 C., 2 S., 1900-01.

hands of our own people, and did not leave the country. That is the reason, he says, while we pay for sugar from Cuba to the extent of more than \$50,000,000 in money, that being the excess of our imports over our exports, and while we send money in the same proportion to all other sugar-producing countries, we do not have to ship coin to Hawaii, although there is an apparent annual balance against us of \$4,000,000. This condition is illustrated by our trade with England, where the reverse is true. The apparent difference during the last fiscal year between the values of our exports and imports to England had been \$195,000,000 in our favor. But England transported eighty-five per cent. of our commerce, and the freights, insurance and other charges which we paid to her people reduced the actual balance of trade in our favor to less than \$100,000,000.¹

As to the loss of revenue, all our exports must come back to us in some form or other, and as Hawaii does not ship us gold or silver these exports must come to us in the form of Hawaiian produce, which is free of duty. There is here a loss of revenue under the treaty, he says, because otherwise our exports would purchase articles which would yield a revenue to the government.

An objection to accepting this explanation of Senator Morgan's as being altogether satisfactory is this: it does not take into account the fact that with the Hawaiian trade not only is the balance of exports and imports against the United States, but that in addition to this adverse balance, there is the annual loss of revenue to the United States government on these imports, which is more than equal to the entire annual exports.

Senator Sherman not being able to agree with this position taken in Senator Morgan's report, brought in a minority report. The view of the minority had been expressed previously in the report already given, submitted by Senator Morrill for the Committee on Finance, February 27,

¹ Senator Morgan, Sec. Docs., No. 231, pt. 8, p. 233; 58 C., 2 S., 1900-01.

1883. This report is embodied entire in the minority report of Senator Sherman. His objection was the one already mentioned, which was continually being urged against the treaty, and which had been only partly met. This objection was that the entire amount of our annual exports to the Islands was less than the amount of revenue remitted by the treaty. In 1883 this revenue would have been about \$4,000,000, while the entire value of exports of domestic merchandise to the Hawaiian Islands in that year was \$3,683,460. Senator Sherman reported for the minority that the loss of revenue entailed by the treaty seemed far greater than any benefit derived from it, and he favored a termination of the treaty with a view to enter into such commercial relations with the Sandwich Islands as would be more nearly reciprocal than the provisions of the existing treaty.

His objection can be met in only one way; the price paid by the United States for her political suzerainty in the Hawaiian Islands is equal to the financial loss sustained by the American government in the unequal operation of the treaty, and if the price thus paid seemed excessive, then the United States should demand more in return if the treaty was to be continued.

In the report of the Committee on Ways and Means in the House, made April 20, 1886, we find an exhaustive treatment of the trade conditions from 1877 to 1885. This report is unfavorable to the treaty, and it is interesting because it indicates quite as distinctly as was shown in 1876, that the commercial side of the treaty was a poor bargain which would have to be made up to the United States in some other way. The report shows in other ways that the treaty had not been commercially successful. The Hawaiians could not obtain their lumber or bread stuffs, or iron and steel, or cotton and woolen goods as cheaply in England or other European countries as they could here. It argues, therefore, that with a treaty or without, they must continue to import these articles from us and pay for them with their sugar, rice, wool and hides. The bounty given by our government out of the public treasury to the

Hawaiian planters has stimulated very greatly the growth of population and wealth in the Islands, and it has correspondingly enhanced the growth of our export trade. But since the treaty began, the government has remitted revenue to the amount of more than \$23,000,000¹, while during the same period our exports to the Islands have amounted to little over \$22,000,000. It would seem from this, the report continues, that we have paid rather dearly for our bargain.² In reviewing the trade conditions of the seven years of the treaty to be sure, there are no new arguments brought against the treaty, but the report shows in an interesting way that the prophecies of those who opposed the treaty in 1876 have been to a large degree fulfilled.

The minority report of this committee³ add their testimony as to the only reason why the treaty should be kept in force. This reason is the political reason. They are not prepared to say that the treaty has been a good bargain commercially, and they would be glad to see it modified, but for other reasons they defend it. For geographical and international reasons which are conclusive with them they are convinced that the treaty should not be abrogated. They are not willing to surrender any advantage that may be given by the treaty to the United States for the possible future control of those Islands. They think that the peculiar relations which the United States necessarily bears to the Pacific Ocean and to the people bordering upon it,

¹ Estimated amounts of duty remitted under the treaty :

1877	1,064,225
1878	1,029,854
1879	1,387,380
1880	2,009,060
1881	2,604,776
1882	3,539,293
1883	4,279,975
1884	3,307,270
1885	4,103,775

² Mr. Mills, Ways and Means Committee, H. Rep., No. 1759, Vol. 6, p. 1, 49 C., 1 S., Apr. 20, 1886.

³ No. 1759.

or owning colonies in it, would make it unwise to take any step there which might weaken our position or possibly strengthen that of any other government. They fear that new and vexatious complications with European and Asiatic nations might arise if the question of the relation and control of these Islands be reopened, and they are therefore not willing to reopen it.¹

Senator Morgan, Chairman of the Senate Committee on Ways and Means, submits the only report which I have found that gives a view favorable to the commercial side of the treaty. His analysis of the trade conditions is very interesting, and would be convincing could we believe that it was anything more than an estimate and a hope, rather than argument backed up by statistics. This weakness has been very properly pointed out in a recent book on reciprocity by Professors Laughlin and Willis.² The tabular statement given in his report is reproduced here because it represents the only defense which the commercial results due to the treaty have received officially, so far as I know.

Values delivered by the United States to the Hawaiian Islands for nine years, 1876-1885.

Invoice value of U. S. exports to Hawaii	\$23,686,328
Bills of exchange to pay for all Hawaiian imports from third countries	9,868,674
Difference between coin exported to and received from Hawaii	2,222,181
Outstanding liabilities of U. S. to Hawaii not known	
Total values paid by the United States	\$35,777,183

To balance the account :

Profits already realized on merchandise account.....	\$18,414,766
Cash debts payable to United States at maturity out of future shipments	6,500,000
Increased values of productive properties in the islands owned by Americans.....	11,680,164
	<hr/>
	\$72,372,113

¹ Minority Report, H. Rept., No. 1759, p. 37, Vol. 6, 49 C., 1 S., Apr. 20, 1886.

² Reciprocity, p. 93, Laughlin and Willis.

Values received and receivable by the United States from Hawaiian Islands for nine years, 1876 to 1885.

Invoice value of Hawaiian exports to U. S.....	\$51,294,764
Add freight and insurance to obtain value in United States ports	2,897,185
Value of merchandise received	\$54,191,949
Liabilities of the Islands to the United States for advances on crops	3,000,000
Bonded debts payable in the United States and secured on Island property.....	2,500,000
Hawaiian Government bonds paid for in silver, coined on Hawaiian account	1,000,000
Total liabilities to the United States.....	\$6,500,000
Increased value of plantation properties owned by United States citizens as assessed in 1883.....	10,180,164
Value of other produce properties	1,500,000
Total	\$11,680,164
Merchandise received.....	54,191,949
Total liabilities to United States	8,500,000
Total values received and receivable	\$72,372,113

General distribution of Profits.

To American shipping :	
Freights and insurance on imports from the Islands	\$2,897,185
Freights and insurance on exports	5,127,964
Passenger receipts.....	1,325,000
	\$9,350,149
Commission on purchases for exports to the Islands.....	\$ 592,158
Commission on sales of Island produce	2,209,463
	\$2,801,621
Premium on exchange	\$ 812,839
Interest on loans and advances	2,160,000
Dividends and miscellaneous profits	3,290,157
	\$6,262,996
Total profits already realized	\$18,414,766
Debts receivable held chiefly by the San Francisco banks.	6,500,000
Increased values of productive properties owned by Ameri- cans.....	11,235,464
Total gross profits	\$36,650,230 ¹

¹ S. R., p. 105, 53 C., 1 S.

Granting that the estimates given in Senator Morgan's report are all correct, there are even then objections to accepting his conclusion that the treaty has been a great success commercially.

The report assumes that by developing the property of Americans living in Hawaii the treaty has conferred a national benefit on the United States. This is a perfectly just view if Hawaii is to become a part of the United States, and this is apparently the assumption, but as residents in Hawaii these planters have ceased to be American citizens,¹ and it is really no more to the United States that their properties are increased in value than that those of any Hawaiian planter have appreciated in the same way. In estimating the loss of revenue it seems to me the report makes the probable loss too small, and it quite overlooks the fact that, as the population of the Pacific coast had nearly doubled since the treaty went into operation, the demand for sugar would have been at least twice as great as it was in 1876 without any treaty whatever.²

If a large part of the profits made on sugar by keeping the price up to where it was before the treaty went into effect, instead of going into the pockets of the planter was diverted to build up \$20,000,000 worth of American shipping interest, then the money formerly paid into the Treasury of the United States as duty on sugar is now paid in part as a bonus to increase the sugar output of the Hawaiian Islands,

¹ Mr. Webster to Mr. Severance, July 14, 1851, Vol. 27, p. 343. "You inform us that many American citizens have gone to settle in the Islands, if so they have ceased to be American citizens. The government of the U. S. must, of course, feel an interest in them not extended to foreigners, but by the law of nations they have no right further to demand the protection of this government."

² POPULATION IN CENSUS.

	1870	1880
Of California	560,247	864,694
Oregon	90,923	174,768
Washington Territory ...	23,955	75,116
	<hr/> 675,125	<hr/> 1,114,578

and in part as a subsidy to shipbuilding on the Pacific coast that the Hawaiian sugar and rice growers may better secure that bonus. Had there not been the political return to the United States for the treaty privileges to Hawaii, that subsidy had been better granted outright to the shipbuilders without the additional bonus to the sugar industry. For, however we figure the results, it must be evident that we were paying a very large price for the privilege of keeping other nations out of Hawaii.

Yet the political returns that the United States was getting from the treaty had been quite satisfactory since the treaty began. The treaty had secured to the United States a supremacy as unquestioned as if an actual protectorate had been declared. Yet it was thought, in view of the great benefits that Hawaii would receive by having the time of the treaty extended, that a further concession of a coaling station as a naval base would be a fair equivalent to the United States if the treaty should be continued.

Convinced that the existing treaty was not conferring reciprocal advantages, the Senate was undecided whether it was wiser to prolong the old treaty with some changes, or to abrogate it altogether, and to negotiate a new one that would be more satisfactory. The matter was in the hands of the Committee on Foreign Relations, and although the debates on their report are not accessible, we have a communication from Mr. Freylinghuysen, Secretary of State, sent to Mr. Miller, Chairman of the Senate Committee on Foreign Affairs. This communication indicates not only the considerations which had weight with the State Department, but at the same time indicates the questions that had arisen in the Senate as to what changes were advisable.¹

¹ *Communication from the Secretary of State to Chairman of Committee on Foreign Relations relative to the proposed extension of the existing Hawaiian Reciprocity Treaty.*

“ Sir :—

Your principal points of inquiry were :—

(1) Whether the schedule of articles of the production of the United States admitted to the Hawaiian Islands free of duty may not be enlarged, and if so, what productions should be added thereto.

And it is further interesting because it indicated a line of action which was later followed by the Senate. This was to make the concession of a coaling station in the Hawaiian Islands to the United States the condition upon which the treaty would be prolonged.

On June 19, 1884, Mr. Miller of California, Chairman of the Committee to which had been referred the proposal of the King of Hawaii for the extension of the duration of the treaty, reported a resolution, that the proposition to extend the treaty for seven years be acceded to on the part of the United States, and that it was advisable that the President secure by negotiation with the government of Hawaii the privilege of establishing permanently a proper naval station for the United States in the vicinity of Honolulu, and also a revision and farther extension of the schedule of articles to be admitted free of duty from the United States into the Hawaiian kingdom.¹ After some amendments by the Senate the extension of the schedule was dropped out,

(2) Whether a supplementary provision by an additional article or separate convention for the establishment by the United States of a convenient coaling station in the Hawaiian Islands would not be expedient.

As to your first point, the schedule found in Article 2 of the existing treaty is so full and general as to leave few standard exports of the United States unprovided for. . . . To introduce changes in the text of the present treaty as a condition of its extension would be in fact to negotiate a new treaty, which might call forth opposition both here and in Honolulu and so imperil the interests concerned more than if the question were confined, as now, to the mere assignment of a fresh term of years for the existing convention.

As to the second point I am disposed to favor an arrangement for establishing a coal station or even a naval and repair station under the flag of the government at some suitable harbor in the Hawaiian Islands.

* * * *

The accomplishment of both these measures—the revision of the free list and the establishment of a station could by the President, as he saw best, be made the condition of acceding to the Hawaiian proposal to extend the treaty seven years. . . .

F. T. FREYLINGHUYSEN."

¹ Sen. Docs., No. 231, p. 242, Vol. 8, 56 C., 2 S.

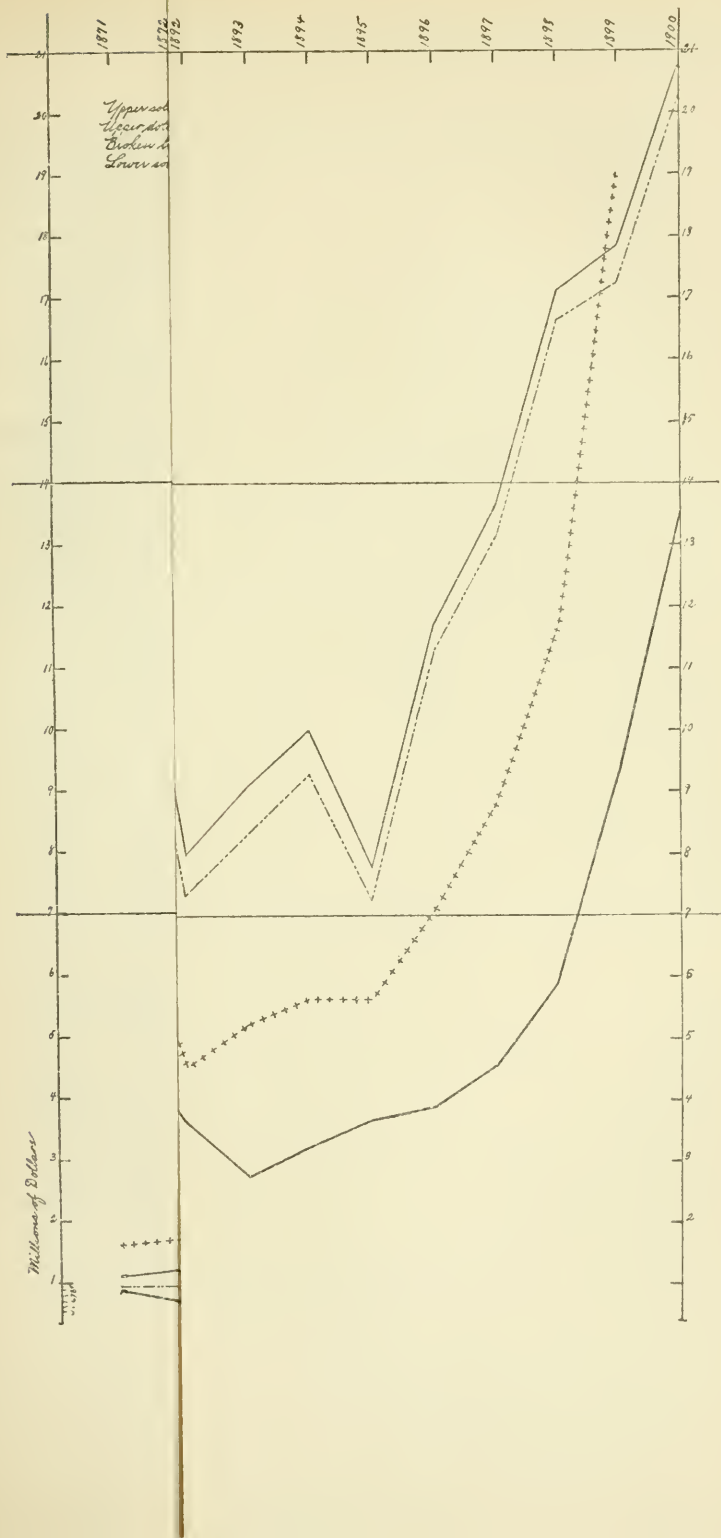
and the final arrangement with the Hawaiian government was concluded December 6, 1884. Its ratification was advised by the Senate January 20, 1887, and was proclaimed November 9, 1887.¹ Under this form, unaffected by the political changes that took place in the Islands, the treaty continued in operation until April 30, 1900.

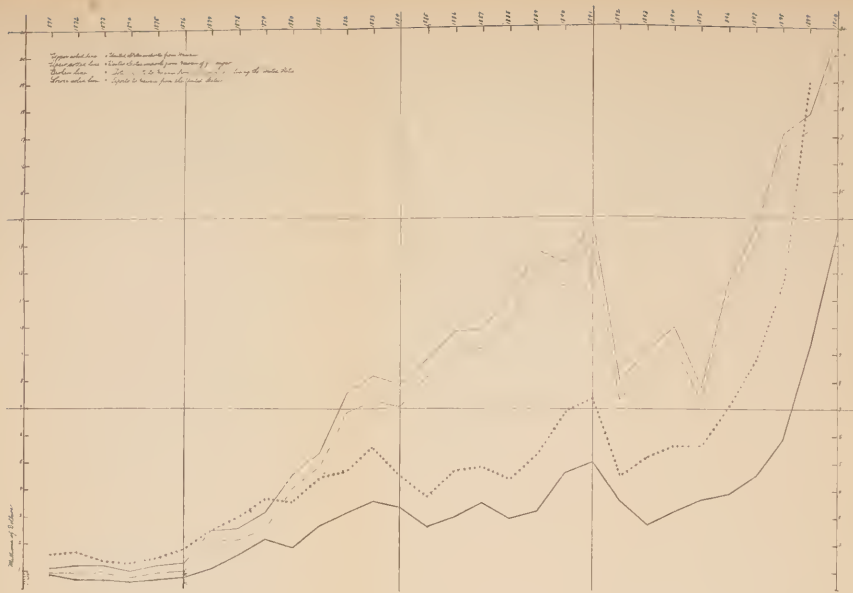
It will be easiest to sum up the results of the treaty from 1876 to 1900 by considering the accompanying diagram. The entire importations to the United States from Hawaii are represented by the upper solid line; the importations of free sugar to the United States from the Hawaiian Islands by the dotted line; the total importations into Hawaii from all countries, including the United States by the broken line and the exports from the United States to the Hawaiian Islands by the lower solid line.²

The diagram requires little explanation. Before the treaty went into effect, from 1871 to 1876, the trade is insignificant in amount, and the imports and exports remain relatively the same for those years. After the treaty was put into operation, from 1876 to 1879, there is a marked increase in both exports and imports. The exports to Hawaii rose from \$700,000 in 1876, to \$2,200,000 in 1879, and the imports from Hawaii in the same time rose from \$1,400,000 to \$3,200,000. In three years the exports had more than trebled; the imports had more than doubled. It will be seen that sugar makes up nearly the entire amount of imports from Hawaii for the whole period of the treaty. The rest is made up of rice and molasses. The introduction of the vacuum pan and the centrifugal machine into the manufacture of sugar helped to destroy any proportion that may have existed up to that time between the exports and the imports. For in 1883, the imports from Hawaii are \$8,200,000, and the exports to Hawaii are \$3,600,000;

¹ Statute at large, Vol. 25, p. 1399. See Appendix D.

² This diagram is made up from the figures given in *Commerce and Navigation*, for the respective years, from H. Rept., No. 1759, Vol. 6, 49 C., 1 S., and from the Statesman's Year Book, 1876-1900.





of the entire trade the exports are thirty per cent. In 1889, the imports have increased to \$12,800,000, while the exports have fallen to \$3,300,000; of the entire trade, the exports are now twenty per cent. In 1891 the imports are \$13,800,000, the exports are \$5,100,000; exports twenty-nine per cent. of the whole trade.

The next year, 1892, the imports have fallen to \$8,000,000; a decline of \$5,800,000 in one year.

This great decrease was due to the operation of the McKinley Tariff Act of October 1, 1890, which went into effect in 1891.¹ By this act the duty on all sugars above number 16 Dutch standard in color, was reduced to one-half cent per pound, and all sugars not above number 16 Dutch standard, after April 1, 1891, were to be free of duty. This, of course, admitted free of duty all sugars of the grade of Hawaiian sugars which were free by the treaty, and as it enabled sugar from all parts of the world to compete in our markets with Hawaiian sugar, there resulted this marked falling off in United States imports from Hawaii. A reference to the sugar trade of Cuba with the United States from 1891 to 1896,² shows in a striking manner the result of the Act of 1890 on sugar importations from countries other than Hawaii. The importations to the United States of Cuban sugar free under this act was in round numbers, in 1891, \$21,000,000 in value; in 1892 it rose to \$60,000,000, an enormous increase of nearly \$40,000,000 in one year. In 1894, the free sugar importation reached \$63,000,000. In 1895, following the termination of the McKinley Act, the same imports had dropped to \$15,000,000, a decline of nearly \$48,000,000 in one year. This amount of sugar would not have entered the United States as dutiable sugar because the total imports from Cuba do not show this change after the act of 1890 had ceased to be operate, the year 1896 showing a total importation of Cuban sugar, \$24,000,000.

¹ U. S. Stat. at Large, Vol. 26, 51 Con., 1 S., ch. 1244, p. 612.

² *Commerce and Navigation*, 1899, Vol. 2, p. 1113.

The repeal of this act is at once apparent in its effect upon the importations to the United States of Hawaiian free sugar. Its provisions ceased August 27, 1894, when the Wilson Tariff Act was passed. Freed now from competition, the imports of sugar from Hawaii at once rose from 1895 to 1897 from \$7,800,000 to \$13,600,000, or very nearly to where they were in 1891. The exports, lower solid line, reflect to a certain degree the fluctuations of the imports. In 1891, they were \$5,100,000; in 1893, \$2,800,000 and in 1897, \$4,600,000.

The annexation of the Islands in 1898 makes it necessary to disregard the years 1898-1900 in our consideration of the effects of the treaty on trade, but it is interesting to notice on the diagram what a great stimulus that event gave to both the exports and the imports.

The total importations into Hawaii from all countries, including the United States (indicated on the diagram by the broken line), when compared with the line showing the importations into Hawaii from the United States (lower solid line), indicates that while Hawaii sent practically all her products to the United States, she took at least a third of her supplies from countries other than the United States.

Thus it is evident that there has never been anything like an equal exchange of commodities under the treaty. Commercially it was a failure.

The treaty gave us, however, for more than twenty years, undisturbed political control in the Islands, and the reciprocal relations established by the treaty were by far the largest factor in bringing about our ultimate possession of the Hawaiian Islands in 1898. Diplomatically, therefore, it may be said to have been successful, for it created and maintained for twenty-two years the political status which it was designed to bring about.

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PART III

THE TREATY-MAKING POWER OF THE
HOUSE OF REPRESENTATIVES

PART III

THE TREATY-MAKING POWER OF THE HOUSE OF REPRESENTATIVES.¹

There is a very interesting as well as a very old constitutional question attaching to the action of the House of Representatives on the Cuban reciprocity treaty, when that treaty shall come up for consideration at the next session of Congress.¹

This question is: Has the House of Representatives the right to withhold its consent to a bill for putting a treaty into effect, and thereby to defeat it? Or, in another form. What is the nature of the obligation which rests on the House of Representatives to give validity to a treaty which has been formally entered into with a foreign nation by the President, and properly ratified by the Senate?

The question is one that has come up in connection with every important treaty that the United States has negotiated. Not alone in connection with commercial treaties, but whenever a treaty provides for the payment of money there has arisen a difference of opinion as to how far the action of the Senate and the President engages the House of Representatives to pass laws, or to make appropriations.

The reciprocity treaty with Cuba, which has been passed by the Senate, has already been ratified by both governments, but it remains to be seen whether Congress will pass a law at its next session to put this treaty into operation, or whether it will remain a dead letter like a similar reciprocity treaty with Mexico, in 1883, which had reached the same point only to fail because the House of Representatives refused to pass a law to carry its provisions into effect. This refusal of the House, in the case of the Mexican treaty, to execute a treaty signed by the President and ratified by the Senate, is I

¹ (Reprinted from *The Yale Review*, August, 1903.)

believe, unique in our diplomatic history. By refusing to sanction the Mexican treaty the House exercised what it held to be its prerogative in matters relating to the revenues. It claimed the right to review the action of the Senate and, if that action was not satisfactory, to refuse to pass a law necessary to give it vitality. The House had asserted since Washington's time its right to defeat a treaty in this way, but up to this time the right had never been exercised.

Since the Mexican treaty there has been no opportunity to bring up this issue in connection with reciprocity treaties, for the intervening treaties have been provided for in advance by tariff legislation, but we may expect to have the question debated again upon the bill that will be necessary to carry the Cuban treaty into effect.

As the question has been so thoroughly threshed over during more than a hundred years of debates, it is not probable that the Cuban treaty will produce any new constitutional arguments. It may be interesting, however, to review the history of this question, and the arguments that have been arrayed in the past on opposite sides.

The position of the two sides has been this. On the one hand it was held that a treaty made by the President and the Senate as the Constitution provides, became at once a supreme law, as obligatory on Congress as it was on the courts, and it was the duty, therefore, of Congress to pass laws which were necessary to execute it; that, as the House of Representatives could not alter the treaty in the least particular, nothing that they could do would give it greater validity as a compact binding on the honor of the nation. It was further maintained that "a treaty when made by the President with the concurrence of two-thirds of the Senators present, and duly ratified and proclaimed, became *eo instanti* the supreme law of the land; supreme alike over the several States of the Union and over each other, and all of the coördinate departments of the government; that, as between the parties to the compact it operated *proprio vigore*, as a repeal of existing laws in conflict with, or repugnant to, its

stipulations ; that, so far as the contracting powers were concerned, it required no legislative aid to impart vitality to its provisions ; that the sole object of congressional legislation in aid of a treaty was to confer authority upon the domestic officers charged with the execution of the laws with which it conflicts in order to give effect to its provisions, and that when Congress engaged in such legislation, it did so under a moral obligation which divested it of all legislative discretion, and admitted of no escape from the performance of an imperative and paramount constitutional duty." These were the words of the Hon. P. F. Thomas of Maryland, May 8, 1876, in the debate in Congress on the Hawaiian Treaty of 1876, and he sums up very satisfactorily the arguments of the extreme position of the Senate party.

Opposed to this, on the other hand, it was held that, if any legislation were required upon subjects over which the Constitution gave to Congress exclusive jurisdiction, the House would have the same right to withhold assent in the case of a treaty as with any other subject of legislation. And it would have the right to demand of the President all papers relating to the negotiation of the treaty so referred to it, that it might intelligently judge whether the treaty made it expedient to appropriate money, or to pass a law giving the treaty force.

It will be seen that these two positions involve a constitutional dilemma. For, if a treaty made by the President and the Senate, as the Constitution provides, requires the action of the House of Representatives to complete it, so as to make it valid, then the treaty-making power is not absolute with the President and the Senate, but is shared in by the House. On the other hand, if the treaty dealing with the revenues may constrain in advance the consent of the House, then bills of revenue may originate elsewhere than in the House of Representatives.

The lack of specific provision in our Constitution for such conflict of powers is undoubtedly a defect, yet in the Constitution, as in any instrument of the kind, where there is a conflict in its terms, the interpretation of those terms must be

such as to be consistent with the evident intent and meaning of the whole, and no one will deny that, based as our Constitution is on English procedure, it was the intent of the framers of our Government that the control of the revenues should remain absolute in the hands of the House of Representatives. In analogous cases in England a treaty involving the revenues requires a law of Parliament to make it effective, and the treaty is inoperative until such law is passed. As Anson says in his *Law and Custom of the Constitution*, part 2, p. 97, "No one but the Crown can bind the Community by treaty, but can the Crown invariably do so without the coöperation of Parliament? This much appears to be certain, that where a treaty involves either a charge on the people, or a change in the law of the land, it may be made, but cannot be carried into effect without the sanction of Parliament. Such treaties are therefore made subject to the approval of Parliament and are submitted for its approval before ratification, or ratified under condition."

By thus submitting the treaty to Parliament before ratification, a serious difficulty is avoided, and the British government never finds itself committed to a treaty which Parliament is afterward found to be unwilling to sanction. Our own government, in default of such arrangement, has some times been placed in the embarrassing predicament of having ratified and proclaimed a treaty only to find it jeopardized by subsequent opposition in the House of Representatives. Yet as the treaty-making power is not vested in the President alone, and as it is shared in by the Senate, all the check on his action that is necessary is thus provided for, and, for reasons of secrecy and safety, it would be practically impossible with so many conflicting interests ever to negotiate satisfactory treaties, which involved the revenues, if they should be first submitted to Congress. More than this, it is the President and the Senate which represent the States as a nation to the world and not the House of Representatives.

As to the power of the House of Representatives to refuse to vote money or changes in the revenue laws, there can, of

course, be no doubt. The question is largely one of moral obligation in preserving the honor and good faith of the nation when it has been pledged by the properly constituted treaty-making power of the government.

In France conditions are somewhat like our own. "Treaties of peace, commercial treaties, as well as all treaties which pledge the national finance, or affect the persons or property of French citizens, are not valid until after they have received the assent of both chambers, and a session, an exchange or an increase in the national territory becomes effective only in pursuance of a law to that effect." (Lebon, "*Das Staatsrecht der französischen Republik*," p. 46.) "He (the President) concludes and ratifies national treaties and gives the chambers information of them as soon as the interest and security of the State permits" (p. 71). It is plain that in France, as in our country, the Executive may pledge the nation to a treaty which the Senate and Chamber of Deputies may afterwards fail to endorse by proper legislation, and the nation offended in the repudiation of a treaty already ratified by the Executive could have recourse to war in an extreme case as a remedy for what it might consider broken faith.

This question, however, must not be understood to deny the power of Congress to annul by law the provisions of any prior treaty. There are so many decisions of the Supreme Court that Congress has this power, that it is not open to question. The matter under discussion here is not concerned with a prerogative of Congress as a whole, but of the House of Representatives alone, when in opposition to the constituted treaty-making branch of government.

There have been many occasions on which this question has been raised as to the treaty-making power of the House, but treaties of the most importance have best illustrated the claims of each side.

Jay's treaty in 1796 was so unpopular that he was hanged in effigy in his own State, and the greatest pressure was brought to bear upon Congress to defeat the treaty by refusing the necessary legislation. President Washington had

been asked by the House to submit the papers concerning the treaty that the House might determine its merits. He refused to do this on the ground that the treaty-making power was vested solely in the President and the Senate, and that when a treaty was made it became the law of the land. The House of Representatives finally passed the law, but stated in a resolution that in all such cases it was their right and duty to deliberate on the expediency or in expediency of carrying such treaty into effect, and to determine and to act thereon as in their judgment might be most conducive to the public good. This has been the attitude of the House of Representatives ever since. But as the House cannot be held responsible by a foreign power for failure to execute a treaty, it looks properly to the President and the Senate, and they, having the responsibility upon them, have uniformly held that it is the duty of the House to give effect to every treaty negotiated by the President and ratified by the Senate.

The treaty of 1803 with France, involving as it did the appropriation of the purchase price of Louisiana, required the action of the House of Representatives. That body before considering the bill to give the treaty effect called for all the papers on the subject, and insisted on reviewing the question to know how good a title our government would get to the land. President Jefferson then submitted all the papers to the House for consideration in its legislative capacity, simply calling attention to the fact that certain of the conditions could not be carried into effect without the aid of legislation. But he did not intimate that this aid was discretionary. The House maintained that it was, but passed the necessary law.

The treaty of 1815 with Great Britain involved a change of the revenue laws, and the appropriation of money. The discussion upon this treaty brought the opposed views of the constitutional question into sharp contrast. The Senate, to forestall the action of the House, passed a bill declaring that all laws in conflict with provisions of the treaty should be held null and void, on the ground that a treaty as a supreme

law necessarily repealed any existing laws in conflict with it. The House, re-affirming that it had discretionary powers in all matters of legislation, ignored the Senate bill, and passed one of its own, which was in turn rejected by the Senate. The matter was finally arranged by the passage of an act which provided that all laws in conflict with the provisions of the treaty should be held to be of no force after the date of ratification. The division at this time in the House and in the Senate was along party lines, the Federalists against, the Democrats in favor of, admitting the claim that the House of Representatives was in no way bound to enact legislation to carry out a treaty. President Madison, the members of his Cabinet, the chief diplomatic representatives of the country, and the leading men of his party held that the treaty became at once a supreme law, and that no legislative act was necessary to give it effect. This was the position ably defended by Mr. Calhoun, who led the debate in the House.

Incidents in our diplomatic history, however, show that while the House has uniformly insisted that a treaty which needed legislative sanction could not be binding on the nation, they have not always taken that view of treaties which have failed of supplementary sanction in other countries. There are two examples usually cited in point—the treaty of 1819 with Spain, and the treaty of 1831 with France.

The treaty of 1819, by which the United States acquired Florida from Spain, was ratified by the Senate the day after its execution. Spain, however, demanded new conditions before it would fulfill its promises already agreed to. Mr. Adams, Secretary of State, thus defined the obligations of Spain in respect to this treaty, in a letter to Mr. Lowndes of South Carolina: "The United States," he says, "cannot compel the King of Spain to sign the act of ratification, and therefore cannot make the instrument a perfect treaty; but they can—and they are justifiable in so doing—take that which the treaty if perfect would have bound Spain to

deliver to them." Sharing in this view that, having agreed through her agent to the conditions of the treaty, Spain was in honor bound to ratify it, the House of Representatives proposed, and Congress passed, a bill authorizing the President to take possession of Florida, although the King of Spain had not ratified the treaty, and did not do so until more than two months after the time had expired.

The treaty with France in 1831 affords a still more interesting illustration of the general belief that the national honor was bound as soon as a treaty had been properly ratified, and that legislation did not give it greater validity. By this treaty France agreed to pay to the United States 25,000,000 francs damages for injuries inflicted on American commerce during the Napoleonic wars. The treaty had been ratified by both governments, but when the time came for the first installment, France refused to pay because the Chamber of Deputies had made no appropriation. The treaty had provided for the admission of French wines on favorable terms, and Congress immediately after its ratification had passed a law to carry the treaty into effect, but as the French Deputies had on five different occasions neglected or refused to make provision for the indemnity, President Jackson in his annual message, December 1, 1834, laid the matter before Congress. He declared in this message that it was his conviction "that the United States ought to insist on a prompt execution of the treaty and, in case it be refused, or longer delayed, to take redress into their own hands."

In response to this intimation, the House passed Mr. J. Q. Adams' resolution by a unanimous vote, and with tremendous enthusiasm, that the treaty be maintained and its execution insisted upon. War looked imminent. The French minister was recalled, and our minister received his passports. The Senate, however, held back, and the matter was finally settled when the French Government paid the indemnity. The vote of the House here is, of course, a

plain declaration that a treaty is valid and binding upon a nation without legislation to carry it into effect.

In 1844 a commercial treaty with the German Zollverein was negotiated by President Tyler. But upon its being submitted to the Senate, Mr. Choate of Massachusetts reported for the Committee on Foreign Relations against its ratification. He stated that the proposed treaty changed duties laid by law, either directly, and by its own vigor, or it engaged the faith of the nation, and the faith of the Legislature, through which the nation acts, to make the change. In either aspect, he stated, it was the President and the Senate who, by the instrumentality of negotiation, repeal or materially vary regulations of commerce and laws of revenue which Congress has ordained. His view was that the treaty should not be ratified, because, being ratified, it thereby pledged the faith of the House to carry out its stipulations, which he conceived were better carried out by a law to that effect than by treaty.

In this connection Mr. Calhoun, then Secretary of State, said, "If this be a true view of the treaty-making power, it may be said that its exercise has been one continual series of habitual and uninterrupted infringements of the Constitution. From the beginning and throughout the whole existence of the Federal Government, it has been exercised constantly on commerce, navigation, and other delegated powers."

The Gadsden purchase treaty with Mexico in 1853 provided for the payment of \$10,000,000 to Mexico for certain land. This treaty was ratified by both governments and placed before Congress by President Pierce with the request that the sum be placed at the disposal of the Executive. Upon this occasion, Mr. Benton of Missouri sought to introduce resolutions into the House that it should not consider the question of appropriating \$10,000,000 to carry the treaty into effect until they should have first considered whether there was a breach of the privilege of the House in negotiating and concluding the treaty; and until after the House

had obtained full information upon its negotiation and conclusion. The constitutional question was again debated here on almost the same lines as were followed in connection with Jay's treaty. And the same division took place on the question as to whether the House had any discretion in considering the bill to make the treaty effective. An important argument made in this connection was, that, while the House had no discretionary power in reviewing the treaty, and could not properly demand that the President should lay before the House all papers bearing on the treaty, if it believed he had exceeded his powers, it could impeach the President, and in that way review the entire subject. This, of course, was not thought of, and the House appropriated the required amount.

The question again came up in connection with the bill to give effect to the Canadian reciprocity treaty of 1854. The opponents of the treaty argued that such treaty could not be constitutional inasmuch as it provided for taking out of the hands of Congress the power to raise revenue on certain articles for the period of time covered by the treaty stipulations. The objection had little weight in these debates, as it was generally felt that the treaty once made and ratified had binding force on Congress.

The prerogative of the House to refuse assent to a treaty again came into question when an appropriation of \$7,200,000 in coin was asked for to carry out the provisions of the sixth article of the treaty with Russia, concluded March 20, 1867, for the purchase of Alaska. The treaty was ratified by the Senate with but two votes against it, but when it was placed before the House for action, there was a minority report of the Committee on Foreign Relations recommending a rejection of the purchase provided for in the treaty. There was a tendency on the part of a majority of the House to favor the bill, but at the same time to reserve the right of the House to approve, or to disapprove, in all cases where a treaty was referred to it for action. On July 14, 1867, after a prolonged debate, the House passed a bill

giving effect to the treaty, but in connection with it, the House made plain the principles upon which it acted, declaring that "the subjects thus embraced in the stipulations of said treaty are among the subjects which by the Constitution of the United States are submitted to the power of Congress, and over which Congress has jurisdiction; and it being for such reason necessary that the consent of Congress shall be given to the said treaty before the same shall have full force and effect," that upon these conditions they had "taken into consideration the said treaty," and had approved of "the stipulations therein." The Senate excised this part of the bill, and having restored it to its original shape, sent to the conference committee, which had been appointed from both branches, a bill declaring that the House was absolutely bound to carry out the stipulations of a treaty ratified by the Senate. The bill finally passed by both Houses was somewhat of a compromise. It read, "and, whereas said stipulations cannot be carried into full force and effect except by legislation to which the consent of both Houses is necessary." Yet it did not maintain the discretion of the House in approving or rejecting a treaty. Thus, from the time of Jay's treaty, the question had never been forced to an issue. The House of Representatives, while asserting its right, had always voted to carry the treaty provisions into effect, and the question of its privilege was still open. "Yet two positions may be regarded as accepted," as Wharton says, "in the practical workings of our government. One is, that without a congressional vote there can be no appropriation of money which a treaty requires to be paid. The other is that it should require a very strong case to justify Congress in refusing to pass an appropriation which is called for by a treaty duly ratified."

It was thought wise to avoid such issues in the future if possible, and a treaty was negotiated which for the first time made legislative consent a proviso before the treaty should be effective. This was the reciprocity treaty of 1876 with the Hawaiian Islands. It was here stipulated that the

treaty should not take effect until a law to carry it into operation should have been passed by the Congress of the United States. But no sooner had the treaty been submitted to the House of Representatives for a bill to put it into operation, than the debate broke out once more, as to the right of the House to reject the treaty. There had developed considerable opposition to the treaty, and those opposed to it in the House, because of the specific stipulation, felt little responsibility for legislation to give it effect. It would seem that nothing could be plainer in this case than that the House of Representatives was absolutely free to deal with the treaty as they saw fit; to approve it, or to reject it without any constraint whatever. Yet those who wished the treaty enacted took the ground that this wording was mere surplusage, and that it did not remove the obligation from the House to pass the bill any more than if it had not been there. No one would deny that a measure affecting the public revenues, as this treaty did, would require legislation by Congress to make it effective, and, therefore, to declare in the treaty that which was a requisite wherever the constitutional powers of the House were involved, added nothing which was not there without such stipulation. Following these lines, the old arguments as to the moral obligation resting on Congress were brought forward, and the debate took on the form which it had assumed in connection with other treaties. The bill finally passed, however, and the treaty went into effect.

When the time of this treaty had expired, it was renewed by the action of the Senate and the President, who prolonged its duration for a period of another seven years, but without submitting the matter to the House of Representatives. This action on the part of the Executive called forth a vigorous protest from the House, and an elaborate report was made on the question by Mr. Tucker of the Judiciary Committee.

This committee submitted a resolution "that the President, by and with the consent of the Senate, cannot nego-

tiate a treaty which shall be binding on the United States, whereby duties on imports are to be regulated, and that the extension of the term for the operation of the original treaty with the government of the Hawaiian Islands will not be binding on the United States without like sanction which was provided for in the original treaty and convention, and was given by act of Congress." The treaty, however, was never submitted to the House for consideration, and it was prolonged without their consent.

A reciprocity treaty with Mexico had been negotiated in 1883, and had been ratified by the Senate and signed by President Arthur. The time for its final ratification had been extended from time to time until February, 1887. Congress, however, refused to pass a law to put it into operation, and the treaty remained incomplete, and never went into effect. It, like the original Hawaiian reciprocity treaty, contained a clause making its effect depend on legislative sanction, and in defeating it, the House, for the first time since the government began, stood on its right to use its discretion in giving force to a treaty already ratified. It thus determined that treaties dealing with the revenues are altogether under control of the House of Representatives, and that there is no obligation recognized in like treaties to follow the action of the Senate by favorable legislation.

The Cuban treaty to come up for assent at the next session of Congress is like the Hawaiian and Mexican treaties in its provisions, and although it does not stipulate for congressional action, it, like them, depends for effectiveness upon the independent will of the House of Representatives. The bill giving the treaty force may be passed without the constitutional question arising, but it is quite within the power of the House to require the papers concerning the negotiation of the treaty, and to determine from the merits of the treaty itself whether it thinks a law advisable or inadvisable that will make the Cuban treaty operative.

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APPENDIX

PART IV

EARLY ECONOMIC CONDITIONS IN HAWAII

APPENDIX

A CONSIDERATION OF SOME OF THE ECONOMIC CONDITIONS FOUND IN THE SANDWICH ISLANDS AT THE TIME OF THEIR DISCOVERY BY CAPTAIN COOK.¹

The Hawaiian Islands are completely isolated in the vast expanse of the Pacific Ocean. They lie at the center of an immense circle whose radius measures 2100 miles, the distance to San Francisco, and whose great circumference embraces besides this group only one or two unimportant islands.

Their geographical situation of $18^{\circ} 50'$ to $22^{\circ} 21'$ north latitude and $154^{\circ} 53'$ to $160^{\circ} 15'$ west longitude makes it probable that the Spanish treasure ships going from Acapulco to Manila in the seventeenth century knew of their position, and that their existence was kept secret from the world for very obvious reasons. From native traditions and from other sources there is evidence for believing that Spaniards, or at least Europeans, landed on the Islands several times from 1535 to 1650.

Captain Cook was at least not their first discoverer. The description by him of the people whom he found there, and by whom he was killed in 1779, is the earliest account we have. This story, completed by Captain Clerk, is exceedingly interesting, but his stay was so short, and his acquaintance with the people so brief, that the narrative must be supplemented by later, and more thorough investigators.²

¹ It seemed to the writer that some interesting results might be obtained by applying to the conditions in the Hawaiian Islands the treatment which Mr. E. J. Payne has so satisfactorily given to the pre-historic economic conditions among the South American Indians, in his *History of the New World called America*, Vol. I. The above is the result of following out the plan laid down by Mr. Payne.

² From the writers Ellis, Jarves and Bingham, we have a fairly accurate picture of that time constructed for us.

Beginning with the time of their discovery, the life and pursuits of the islanders for a period of about forty years was practically unchanged. In all probability it was much as it had been for hundreds of years. The later influence of Cook's visit in opening the Islands to civilising agencies is beyond calculation, but it may properly be said that from his visit in 1778 until the coming of the American missionaries in 1820, there had been no vital change in the religion, language, arts, or customs of this barbarous people.

They were in a state of barbarism in accordance with Payne's classification of the states of society. He makes the status of a people depend upon the degree in which they have been able to substitute an artificial for a natural basis of subsistence. If the substitution has been completely made, and owing to favorable circumstances has wrought out the ultimate effects which the substitution is capable of producing, the resulting state of society is called civilisation. If, due to unfavorable conditions the final results are arrested, or if only a partial substitution has been made, the state of society resulting is called barbarism. If society rests on a natural basis of subsistence the social state is called savagery.

The Hawaiian islanders were in a state of barbarism, for the process of complete substitution of an artificial for a natural basis of subsistence had been arrested. It is quite probable that the islanders would have continued in their backward state, if the means of progress had not been supplied to them from without, for the means of development had for the most part been denied them by nature.

The necessity for obtaining food has been the lash that has ever driven man's progress. A lash that has been applied the more unrelentingly the lower we descend the scale of civilisation. The intensity of his struggle for existence is due to nature's harshness or kindness, and this is because the distribution upon the globe of plants and animals useful to man has been very unequal.

Where, as is usually the case, nature is severe, all his energy is at first spent in getting food, and his hunger drives

him to invent weapons and implements that will enable him to get this food in greater abundance. When once secured, certain foods contain more nutriment, quantity for quantity, than others, and usually food whose nutritive value is small calls for a greater supply of vitality to digest enough to sustain life, and therefore this kind must be abundant. With a few notable exceptions, as for example, the bread-fruit, the least nutritious food is the easiest to obtain.

It is thus that savage man's whole energy is so taken up with the struggle to sustain life that little time is left him to improve the means, and it is only very gradually that he is able to gain any advantage over nature. An advantage is always gained by substituting a better, more nutritive food, for a poorer one, and a better means for obtaining it for one that is not so adequate. Where there is a limited area, and a growing population, the competition for the food supply is increased, and up to a certain limit this competition sharpens man's faculties and is the means of his advancement.

Somewhere early in his history man secured the aid of the dog in hunting. The dog, the oldest domestic animal known, having at first followed man as a hanger-on for the offal of the chase, became a hunting companion to him.

Dogs, too, like fire and domestic fowls, had the power to frighten away ghosts, from whose presence primitive man was never free, and were thus of great service to him. They were able to see the evil spirits that were invisible to man, and by barking drove them away. The cocks crew at midnight to tell the spirits that the time had come when they might leave their abodes, and at daybreak to warn them to return. Besides domesticated fowls, the young of wild animals captured in the hunt were often spared, possibly at first as pets. From their increase in captivity the savage found an easier method of supplying his wants than that of taking them in the chase. In time they came to supply him with food, clothing, and power, and he thus advanced into the pastoral state and into the wandering life of the herdsman.

The savage in the gathering state lives on what he can pick up for food in its natural condition. Berries, fruits, nuts, roots, fish and small weak animals, snakes, lizards, rats and mice, he levies on for his needs. He makes a long step forward when repeated famine has taught him to gather a supply against a time of need; to lengthen his arm by stone weapons; by the bow and arrow, and by the use of fire to harden his weapons, to burst the cells and to soften the fibers of his food by cooking, and thus to save vitality to digestion for some other purpose. The gathering state is a precarious means of supplying food, but only after hunger and famine many times repeated, does the savage learn to store up a supply in time of plenty against a time of want. His usual condition is one of satiety or of emaciation. Roots and bulbs furnish him the nourishment stored by nature in the ground and these when dried can be preserved. It is this need of storing up food that led him, perhaps, to the discovery that the process of digging in the loose earth for roots with a hooked stick and by dropping a piece of root back into the hole that he has just dug to let nature do the rest, is the natural means for increasing his store. This is an easy method of getting food as the crop requires no care until it is ready for use. Root culture has invariably preceded the cultivation of cereals. For cereals are usually the result of laborious cultivation, and the number and distribution of roots as well as their food value compared with wild cereal-bearing grasses shows root culture as a basis of subsistence to be in an earlier and a more primitive state of society; and while people living in a state of root culture always show a great degree of advancement over the savage, it is certain that nothing worthy the name of civilisation has ever been founded on any other alimentary basis than the cereals.¹

These various steps from the gathering state to root culture had doubtless been made by their Malay ancestors long centuries before the Hawaiians peopled the Sandwich

¹ Payne, p. 336; Vol. I.

Islands. It is quite probable that the original Hawaiians came from Tahiti or Samoa, whose people they very much resemble in speech and customs. Possibly having been driven this great distance by storm, men and women, dogs, pigs and chickens, were landed in a single boat, by accident upon the shores of the Hawaiian Islands. They closely resemble, too, the other South Sea Islanders, and from the fact that they have not had long enough time to develop a distinct culture, Ratzel concludes that the settlement could not have been made very long ago. Whatever their origin, when Captain Cook found them, they were half-naked cannibals offering human sacrifices to their gods and to the *manes* of their chiefs. They were living on roots, the cultivation of which they had brought to a high degree of perfection, and on fish and the flesh of hogs and dogs.

The changes in mode of life from living on a natural basis of food to living on an artificial basis have always depended a great deal on the natural conditions that make a change necessary. Where the population is stationary and food is plentiful and easy to obtain in one grade of culture a change to another is not made. But where people live on a limited area, as for example, on an island, and the population increases, the food supply becomes more scanty and other means of obtaining more or other kinds of food must be resorted to.

This was never the case in the Hawaiian Islands, as their population had been decreasing probably before Captain Cook's time, and has continued to decrease until the present. This decline in population is one of the five causes, following Mr. Payne, that may be indicated why the Hawaiians remained economically backward.

These five causes are:

- I. lack of any cereal-bearing grasses;
- II. lack of any animal larger than the hog;
- III. lack of iron or of any metals whatever;
- IV. the system of society under which they lived;
- V. the failure of the population.

First—The lack of cereals.

The roots of the taro (*arum esculentum*) form the chief article of vegetable food. Besides this the sweet potato, yam, breadfruit, sugar-cane, cocoa-nut, arrow-root, strawberry, raspberry and an insipid juicy red apple are also native and abundant. To these must be added the useful trees, the paper mulberry (*morus papyrifera*), out of which native cloth is made; the kukui (*aleurites trilaba*) or candle-nut tree, the fruit of which contains so much oil that it was used by the natives in place of lamps or candles; the sandal wood tree, and some beautiful cabinet woods. Sandal wood was of no value to the Islands until it was made an article of commerce by traders from the United States. They took large quantities of it to Canton where it was sold in great quantities to the Chinese, who manufactured it into incense and burned it in their temples.¹

“The forests are usually very dense, broken by deep chasms, hidden ravines and deep, conical-shaped pits, which appear to have been once active craters; while the trees are over-grown with masses of fern and parasitical vines, thickly interlaced, and spreading their shoots in all directions which renders it a task of great difficulty to penetrate their recesses.”²

For this reason possibly and because of their fishing and sailor life the population kept to the seashore.

The cultivation of the taro plant and of the sweet potato comprised the agriculture of the native Hawaiians. The dry friable nature of the volcanic soil made the cultivation of the sweet potato comparatively simple and easy. Soil and climate were so well suited to its growth that Captain Cook spoke of potatoes weighing twelve to fifteen pounds, seldom did they weigh less than three. The growth of the taro is, however, attended with great labor, as it requires a year to produce a crop.

¹ In one year the trade amounted to four hundred thousand dollars. The greed of the kings allowed the trees to be destroyed and the supply practically ceased.

² Jarves, pp. 11 and 12.

Washing down into the valley from the sides of the mountains the streams carry with them certain mineral salts that serve to renew the soil exhausted by the growth of the taro plant. For this purpose, and because the taro grows in wet ground, artificial irrigation was practiced, and the mountain streams were conducted to the plots of taro in trenches or ditches.

Captain Cook has given a very good picture of their agriculture; he says:

“Our way lay through the plantations. The greatest part of the ground was quite flat, with ditches full of water intersecting different parts, and roads that seemed artificially raised to some height. The interspaces were in general planted with *taro*, which grows here with great strength, as the fields are sunk below the common level, so as to contain the water necessary to nourish the roots.”

“What we saw of their agriculture furnished sufficient proof that they are not novices in that art. The vale ground . . . was one continuous plantation of taro, and a few other things, which have all the appearance of being well attended to. The potato-fields and spots of sugarcane or plantains, on the higher grounds, are planted with the same regularity; and always in some other minute figure, generally as a square or oblong; but neither these nor the others are enclosed with any kind of fence unless we reckon the ditches in the low grounds such, which, it is more probable, are intended to convey water to the taro. The great quantity and goodness of these articles may also, perhaps, be as much attributed to skillful culture as to natural fertility of soil, which seems better adapted to them than to bread fruit and cocoanut trees.”¹

His account shows that these people were then in an advanced state of agriculture, expending enough labor upon the taro-root to have raised cereals, and displaying intelligence enough to have availed themselves of the change had the soil been suitable, and had nature supplied them with any wild cereal-bearing grasses such as wheat, corn, rice, oats, rye or barley. These seem to have been entirely absent, and the people remained in a state of root culture, not because they were incapable of advancing, but because the means of advance was lacking to them.

¹ Capt. Cook, p. 189.

Second—Domestic animals.

The absence of any wild animals on the islands that could be objects of the chase or were suitable for domestication removed a second means of progress.

There were no wild animals at all, and the islanders never became hunters for this reason, and could not, therefore, take the next step in progress to herds, and to becoming a pastoral people. The only animals found on the island were the dog, a small variety of hog, domestic fowls, some wild ducks and geese, the lizard and a small rat. The dog and hog were eaten as food.

Fish were caught in abundance, and as their island situation compelled them to be expert fishermen it made them marvelously at home in the water. It has been conjectured that their dependence upon a fish diet, and the fact that they usually ate fish raw, and sometimes in a semi-putrid state, brought a terrible consequence. This was the disease of leprosy, which recent investigations seem to show is closely associated with a continued diet of this kind.

The lack of any large animal that could be tamed to yield food—as milk and meat,—and power, for traction and for burdens, had a very important domestic bearing.

One of the most shocking practices of these people was infanticide. The accounts all agree as to the extent and prevalence of this practice. Cook especially noticed the evidences of affection displayed by the mothers for their little ones, but sooner or later they were strangled or smothered by the mothers, and were often buried in the dirt floor of the living room. One out of a family of three or four might be spared, and no more feeling was discovered than might be expected in drowning all but one or two of a litter of kittens. The reason given was always the same. They gave too much trouble. It is estimated that two-thirds of the population perished in this way. As Mr. Payne has already pointed out, where there is no substitute in the milk of animals, mothers must nurse their children three or four years and longer before they can be weaned. This

necessarily lowers the vitality of the mother besides shutting her out from many of the pleasures of life, and so the cause, the child, was indifferently put out of the way. The burden of raising children became doubly exhausting when the position of the women is considered. They were held to be so far inferior to the men that not only could the women not eat with the men and might not even touch their food, but the most palatable and nutritious animal and vegetable foods were reserved for the men alone. Women were forbidden to eat pork, turtle, shark, bananas, and cocoanuts under penalty of death. Thus, obliged as they were, besides, to perform all the toil that they were physically capable of, the greatest tax on physical powers was put where it was least able to be borne. Human life was everywhere held cheap, and the old, the sick, or the insane, in fact any that would become a burden on the rest, were treated in the same way as the undesirable children or they were left to die alone, and for the same reason—that they were too much trouble.¹

Savage man does not himself look on death with revulsion or even with fear. Yet had there been a substitute for the milk of the mother it seems to me altogether probable that the loss to the race by infanticide would have been very greatly decreased; though it must be remembered that superstition played a great part in abandoning the sick and weak. If any one was long sick he was thought to be under the displeasure of the gods and was therefore abandoned.

¹ "The sick at first found sympathy and kindness and there were instances of tender care and treatment to the last; but those long sick became a burden, and were frequently borne to the bushes, or were shut up in some old unoccupied house to languish and die alone. For days and nights together, the miserable invalid has been known to call in vain, even in sight and hearing of his own relatives, for a drink of water; approached only by the dogs that waited for the carcass." "Occasionally the insane were treated with respect and care, while usually they were stoned to death. Along many a beach, over many a plain, into the thicket of many a mountain stream, boys and men pursued and destroyed them as they would the wild beast of the forest." Hunt, p. 38.

Further, the labor of cultivating the *taro* would have been greatly lessened by the use of some animal strong enough to draw the plow, and the labor of the people would have been greatly eased and economic advancement furthered could some beast of burden have been found to drag the timber from the forest, and to carry the heavy burdens that had to be borne from place to place on the naked shoulders of the people.

Third—The use of metals.

A third means by which they might have reached a more advanced civilisation was in the use of iron. There are no metals to be found in the Hawaiian Islands, and this means of progress was therefore denied to them. Without metals they were obliged to remain in the Stone Age so far as their tools and implements were concerned, long after they would have been fitted under more favorable natural conditions to leave it.

They were thus compelled to fell trees and to shape timber with their stone adzes, to hollow out their canoes by fire or by stone chisels, to saw with toothed flints or with saws of sharks teeth, to cut with shells or with obsidian, or with glass-like splinters of lava, to bore holes with stone awls—to do everything, in fact, that required tools or implements, with the greatest pains and patience without the aid of the most useful of all metals.

When Captain Cook arrived they knew the value of iron, and displayed such an avidity for it that they were willing to trade almost anything, at first, for a nail, and later knives, axes and bars of iron were the most acceptable presents that could be made to their kings and chiefs.

Beads and looking glasses, which usually appeal to the savage, were handed back by them as of no use, but iron was so highly prized that the cutter they stole from its moorings was broken up for the nails that held it together. It was the effort to recover this boat which led to Captain Cook's death. He found them in possession of a piece of iron hoop two inches long, and a piece of what he thought

must have been the point of a broad sword; he conjectured that the iron hoop might have been found on a spar of some ship that had drifted ashore. Wherever they got the iron or the knowledge of its use, they were satisfied with nothing else.

Captain Cook was impressed with their skill and dexterity in many ways, but particularly he admired the perfection of their handicraft.

"In everything manufactured by these people," he says, "there appears to be an uncommon degree of neatness and ingenuity. Their cloth, which is the principal article of manufacture, is made from the *morus papyrifera*; and doubtless in the same manner as at Atahate and Tongataboo; for we bought some of the grooved sticks with which it is beaten. Its texture, however, though thicker, is rather inferior to that of the cloth of either of the other places; but in coloring or staining it, the people of Atooi display a superiority of taste, by the endless variation of figures which they execute. One would suppose, on seeing a number of their pieces, that they had borrowed their patterns from some mercer's shop, in which the most elegant productions of China and Europe are collected, besides some original patterns of their own. Their colors indeed except red are not very bright, but the regularity of the figures and the stripes is truly surprising; for as far as we know, they have nothing like stamps or prints to make their impressions."¹ . . . "Amongst the articles which they brought to barter this day, we could not help noticing a peculiar sort of cloak and cap which even in countries where dress is more particularly attended to, might be reckoned elegant. The first were nearly of the size and shape of the short cloaks worn by the women in England, and by the men in Spain, reaching to the middle of the back and tied loosely before. The ground of them is a net work; upon which the most beautiful red and yellow feathers are so closely fixed that the surface might be compared to the thickest and richest velvet which they resemble both as to the feel and the glossy appearance. The manner of varying the mixture is very different, some having triangular spaces of red and yellow alternately, others a kind of crescent; and some that were entirely red, had a broad yellow border, which made them appear at some distance, exactly like a scarlet cloak edged with gold lace. . . . Some were afterward purchased for a few large nails."²

¹ Cook, p. 184.

² Cook, p. 160, in Vol. XVI. R. Kerr, "Modern Circumnavigations."

Jarves suggests that the idea of these short cloaks and helmets and the color and variety of patterns in their cloth came through the Spaniards, who landed on the islands more than a hundred years before Cook.

"In what manner they produce their colors we had not opportunities of learning; but, besides the party colored sorts they have some pieces of plain white cloth, and others of a single color, particularly dark-brown and light blue. In general, the pieces which they brought to us were about two feet broad, and four or five yards long, being the form and quantity that they use for their common dress or maro; and even these we sometimes found were composed of pieces sewed together; an art which we did not find to the southward, but is strongly, though not very neatly, performed here."

"There is also a particular sort that is thin, much resembling oil cloth, and which is actually either oiled or soaked in some kind of varnish and seems to resist the action of the water pretty well."¹ "They stain their gourd shells prettily with undulated lines, triangles, and other figures of a black color; instances of which we saw practiced at New Zealand. And they seem to possess the art of varnishing; for some of these stained gourd shells are covered with a kind of lacquer; and on other occasions they use a strong size or gluey substance to fasten things together." "They fabricate a great many white mats, which are strong with many red stripes, rhombuses and other figures interwoven on one side. . . . Their wooden dishes and bowls, out of which they drink . . . are as neat as if made in our turning lathe and perhaps better polished. . . . The great variety of fishing hooks are ingeniously made, some of bone, others of wood pointed with bone and many of pearl shell. . . . Of this (bone) sort one was procured nine inches long of a single piece of bone. . . . The elegant form and polish of this could certainly not be outdone by any European artist, even if he should add all his knowledge in design to the number and convenience of his tools."²

These wooden bowls apparently take the place of pottery here. Either because the volcanic soil furnished no clay immediately suitable for pottery; or because having discovered that by heated stones they could bake their vegetables, they were not driven to find any vessel that would resist the action of fire.

"Judging from what we saw growing, and from what was brought to market, there can be no doubt, that the greatest part of their vegetable food consist of sweet potatoes, taro, and plantains; and that bread-fruit and yams are rather to be esteemed rareties.

Of animal food they can be in no want; as they have abundance of hogs, which run without restraint about the houses; and if they eat

¹ Cook, p. 184.

² Cook, p. 185.

dogs, which is not improbable, their stock of these seemed to be very considerable. The great number of fishing hooks found amongst them, showed that they derive no inconsiderable supply of animal food from the sea. But it should seem, from their practice of salting fish, that the openness of their coast often interrupts the business of catching them; as it may be naturally supposed that no set of people would ever think of preserving quantities of food artificially, if they could depend upon a daily regular supply of it in its fresh state. This sort of reasoning, however, will not account for their custom of salting their pork, as well as their fish."¹

A possible explanation of this salting of both fish and hogs' flesh is that the monotony of a diet of taro, fish and hog led them to salt their food to give it a different taste, as well as to satisfy a natural craving for salts to supply the needs of the body. The trade in spices with the East Indies was due in the Middle Ages to a similar desire of Europe to vary the monotonous diet of fish. In other parts of the world:

"It is easy to see how the pods and seeds of the capsicum, a shrub indigenous to the warmer districts where maize was cultivated, came first to be employed as a corrective, and thence to be habitually eaten to relieve the insipidity and prevent the deleterious consequences of a purely farinaceous diet; for the same reason ants were mixed with cooked maize in New Granada, powdered limestone with the compounds of maize in Mexico, and clay in Callao."²

This, too, may account for the use among the islanders of kava, an intoxicating drink made from a species of the pepper plant.

The finish in the workmanship on their bone fish-hooks, which in itself marked a certain stage of culture, the excellence of their stone adzes and axes, polished, ground and ornamented so that they became famous in the South Sea Islands, the exquisite delicacy of the feather work on their feather cloaks and helmets, the variety and execution of the designs of their cloth, the texture of their woven mats, the symmetry and turning of their bowls, and the beautiful polish of the wood of their weapons, together with the advanced

¹ Cook, p. 182.

² Payne, pp. 406-7.

state of their agriculture, shows that their means of getting a living was comparatively easy and did not at least occupy more than a part of their time and energy. It further shows that though morally degraded they were pressing against the economic barriers set by nature and that their advance would be rapid if the means were offered.

Fourth—Their system of government.

A fourth cause that tended to keep them in a backward state was the system of government under which they existed. This was a despotism, yet in some particulars it resembled the feudal system; certain customs, from their general usefulness and antiquity, were considered in the light of traditionary code. These related principally to the tenure of lands, personal security, right of property, and barter. Such indeed was the force of public sentiment upon these subjects that the chiefs hesitated to violate the spirit of their meaning. By them the amount of taxes or labor due the chiefs from their dependants and his duties to them were to some extent regulated. This species of common law was particularly binding in regard to the means of irrigation, on which the whole value of their crops depended. It regulated the amount of water for each plantation according to the dryness of the season.¹

In criminal cases the *lex talionis* prevailed.

“Such were the nature of some of their regulations, which while they tended to some extent to create a security of property and person among the common people in their transactions with each other afforded but little safety against oppression on the part of their chiefs.”²

“The people were attached to the soil and transferred with the land like serfs of modern times.”³

“The kingly authority extended over the lives, liberty, and property of all and was delegated to the governors of the islands or great districts and from them to inferior officers. No chief could interfere with the tenant of another and should they desire revenge or justice it could only be obtained through the legitimate lord.

¹ Jarves, p. 34.

² Jarves, p. 35.

³ Jarves, p. 37.

The greatest safeguard of the people consisted in the self-interest of their masters, whose wealth and power depended chiefly on the number of their bondmen."¹

So far as their productive powers were concerned they were a nation of slaves, and the system by which the chief might take anything that his subject had any claim upon, from a *taro* crop to his wife and children, would be a very effective bar to economic progress. If this were true during the period before their discovery, when the wants of the kings and chiefs were little incentive to the accumulation of tribute in the form of taro roots, fish, plantains, cocoanuts, mats, bowls, tapa cloth and sandal wood, any of which must have had small exchange value among the different islands, it was a hundred fold more oppressive when these supplies could be exchanged for fire-arms, rum, silks, and the luxuries of the new civilisation that the white traders brought with them from over the sea.

A command was sufficient to bring these coveted treasures into the hand of the king and chiefs—for as they ordered so the people did—and the little finger of the chiefs of this generation was thicker than the loins of their predecessors. Jarves paints a terrible picture of this time of oppression.

"The little natural human feelings the chiefs possessed was extinguished by an all-powerful passion for gain! Interested foreigners stimulated this desire. Cargoes of rich goods were brought, luxuries displayed and no means left untried to excite their cupidity. The unfortunate result is well known. The whole physical resources of the kingdom were over-wrought, and men, women and children were taxed beyond their powers. Sandal-wood was to be collected; mountains and valleys almost inaccessible were to be penetrated and heavy loads borne on bleeding shoulders to the sea side. Like the Children of Israel their toil was doubled and their sufferings found no consideration in the eyes of their task-masters. Cultivation was neglected and famine ensued. Multitudes perished under their burdens; others left their homes and wandered, like wild animals, in the depths of forests, where they either sunk under the horrors of want and starvation or sustained a miserable existence on roots and wild fruits."

This system of government was, however, gradually changed, and in time a constitutional government took its

¹ Jarves, p. 26.

place, but before it disappeared great numbers of the population had perished. Other needs were supplied one by one by the white people. Captain Cook began by trying to introduce various animals and certain garden vegetables. Cereals were soon supplied in abundance as well as domestic animals, the ox, the horse, the cow, the sheep and goat, and much needed implements of iron, steel, copper, brass and bronze.

Hawaii seemed now ready to leap forward at a bound, but there was lacking a vital element to progress that the Hawaiians could alone supply for their own advancement. This was the population. Instead of increasing and thus acting as a further spur to endeavor, the population continued to decline. The death-rate exceeded the birth-rate, and from Cook's time on, the increase was due to foreign immigrants. A variety of causes may have been at work. For, while it is customary to hold the advent of civilisation responsible, and to compare it with the earthen pot and the brazen pot floating down the stream, the earthen pot being safe from destruction alone, but in contact with the brazen pot the weaker vessel goes to the bottom, still, the diseases introduced by the white men, and they were virulent, measles and small pox carrying off great numbers, the exterminating ferocity of the native wars, and the havoc wrought by the intoxicating drinks of the Europeans all taken together, do not give a satisfactory account for the great decrease in population.

A nation no more than an individual can dissipate its vital energy and continue sound and vigorous. Savages are notorious for their lack of continence and for their intemperance, and that pleasure which is near is most desirable, nor may the satisfaction of any desire be postponed if its gratification is at hand. The propensity to thieving among savages illustrates this lack of restraint. The Hawaiians were grossly licentious. We have many accounts of their lascivious orgies. Marriage was merely formal, and in no way binding. Woman's virtue was an unknown conception to them.

"As they had no wants but those of the body, they knew no pleasures but wanton indulgence. In these they reveled day and night. Except in times of tabu their capacity and opportunities alone limited their excesses. In their feasts they left no remnant. In their bacchanalian revels they drank the last drop. In their licentious indulgence there were no bounds they did not pass."

Here seems to be a prime cause for their decay.

Captain Cook estimated the population of the islands in 1778 at 400,000—probably an over-estimate. The Hawaiian Almanac and Annual for 1878 gives tables of population :

1823 estimated.	143,050
1832 census.	130,313
1836 "	108,579
1853 "	73,138
1860 "	69,800
1872 "	56,987
	Entire population.
1884 "	80,000
	Native.
	40,000
1890 "	90,000
	34,000

The declining native population made it possible for a foreign population to take its place, and that class of foreigners would be attracted as permanent settlers who found the inducements to remain most profitable and pleasant. The relative nearness of the shores of the American Republic together with the preponderance of American sentiment due to the American missionaries and to the American whale ships gave the United States an advantage from the first. It would, therefore, be the natural policy of the American government to supply the demands of this mixed people and to use commercial treaties to bind closer the political ties between the two. As time went on and the Americans increased, attracted by trade advantages, the disparity in the numbers of the native and foreign population became greater and in time so great that the islands were American in everything but name, and it needed only the incident of the Spanish War to bring about Annexation.

APPENDIX TABLE A.

TABLE¹ SHOWING IMPORTATIONS OF WHEAT, WHEAT MEAL OR FLOUR INTO GREAT BRITAIN.

From	Br. N. Am. Provinces.	United States.		Russia.		Prussia.		France.	
	Wheat in quarters.	Wheat meal or flour in cwt.	Wheat in quarters.	Wheat meal or flour in cwt.	Wheat in quarters.	Wheat meal or flour in cwt.	Wheat in quarters.	Wheat meal or flour in cwt.	Wheat meal or flour in cwt.
1844	36,174	676,884	2,421	292,012	104,458	7	551,748	774	45,044
1845	38,645	671,903	23,578	264,341	33,768	44	424,395	2,788	32,133
1846	69,388	911,706	173,402	2,231,144	203,219	40	362,542	3,463	71,615
1847	391,372		1,631,132		417,512		473,568		148,445
1848	27,120	564,706	78,184	960,221	522,437	3,761	522,049	39,960	216,524
1849					Report lacking.				368,505
1850	8,208	416,831	81,573	108,956	537,333	1,415	578,484	5,799	444,219
1851	9,209	248,169	108,956	1,566,484	714,442	1,138	850,670	10,216	630,300
									2,039,687

¹ Compiled from Parliamentary Papers for the years given.

APPENDIX B.

The text of the articles of the treaty as it was submitted and finally ratified.

ARTICLE I.

For and in consideration of the rights and privileges granted by His Majesty the King of the Hawaiian Islands in the next succeeding article of this convention, and as an equivalent therefor, the United States of America hereby agree to admit all the articles named in the following schedule, the same being the growth and manufacture or product of the Hawaiian Islands, into all the ports of the United States free of duty.

Articles the product of the Hawaiian Islands.

Free Schedule.

Arrowroot, castor oil, bananas, nuts; vegetables, dried and undried, preserved and unpreserved; hides and skins undressed, rice; pulu, seeds; plants; shrubs or trees; muscavado, brown and all other unrefined sugar, meaning thereby the grades of sugar heretofore commonly imported from Hawaii Islands and now known in the markets of San Francisco and Portland as Sandwich Islands, sugar, syrups of sugarcane, melado, and molasses; tallow.

ARTICLE II.

For and in consideration of the rights and privileges granted by the United States of America in the preceding article of this convention, and as an equivalent therefor, His Majesty the King of the Hawaiian Islands hereby agrees to admit all the articles named in the following schedule, the same being the growth, manufacture, or produce of the United States of America, into all the ports of the Hawaiian Islands free of duty.

*Articles the produce and manufacture of the United States.**Free Schedule.*

Agricultural implements ; animals, beef, bacon, pork, ham, and all fresh, smoked, or preserved meats ; boots and shoes ; grain, flour, meal, and bran, bread and breadstuffs, of all kinds, bricks, lime, and cement ; butter, cheese, lard, tallow ; bullion ; coal ; cordage, naval stores, including tar, pitch, resin, turpentine, raw and rectified ; copper and composition sheathing ; nails and bolts ; cotton and manufactures of cotton, bleached and unbleached, and whether or not colored, stained, painted, or printed ; eggs ; fish, and oysters, and all other creatures living in the water, and the products thereof ; fruits, nuts, and vegetables, green, dried or undried, preserved or unpreserved, hardware ; hides, furs, skins, and pelts dressed or undressed ; hoop iron and rivets, nails, spikes and bolts, tacks, brads or sprigs ; ice ; iron or steel, and manufactures thereof ; leather ; lumber and timber all kinds, round, hewed, sawed, and unmanufactured, in whole or in part, doors, sashes, and blinds ; machinery of all kinds, engines and parts thereof ; oats and hay ; paper, stationery, and books, and all manufactures of paper or of paper and wood ; petroleum and all oils for lubricating or illuminating purposes ; plants, shrubs, trees, and seeds ; rice ; sugar, refined or unrefined ; salt, soap ; shooks, staves, and headings ; wool and manufactures of wool, other than ready-made clothing ; wagons and carts for the purpose of agriculture, or of defraying ; wood and manufactures of wood, or of wood and metal, except furniture, either upholstered or carved, and carriages ; textile manufactures, made of a combination of wool, cotton, silk, or linen, or of any two or more of them, other than when ready-made clothing ; harness and all manufactures of leather ; starch ; and tobacco, whether in leaf or manufactured.

ARTICLE III.

The evidence that articles proposed to be admitted into the ports of the United States of America, or the ports of the Hawaiian Islands, free of duty, under the first and second articles of this convention, are the growth, manufacture, or produce of the United States or of the Hawaiian Islands respectively, shall be established under such rules and regulations and conditions for the protection of the revenue as the two governments may from time to time respectively prescribe.

ARTICLE IV.

No export duty or charges shall be imposed in the Hawaiian Islands, or in the United States, upon any of the articles proposed to be admitted into the ports of the United States or the ports of the Hawaiian Islands free of duty under the first and second articles of this convention. It is agreed on the part of His Hawaiian Majesty, that so long as this treaty shall remain in force he will not lease or otherwise dispose of or create any lien upon any port, harbor, or other territory in his dominions, or grant any special privilege or rights of use therein, to any other power, state or government nor make any treaty by which any other nation shall obtain the same privileges relative to the admission of any article free of duty, hereby secured to the United States.

ARTICLE V.

The present convention shall take effect as soon as it shall have been approved and proclaimed by His Majesty the King of the Hawaiian Islands, and shall have been ratified and duly proclaimed on the part of the government of the United States, but not until a law to carry it into operation shall have been passed by the Congress of the United States of America.

Such assent having been given, and the ratifications of the convention having been exchanged as provided in Article VI, the convention shall remain in force for seven years from the date at which it may come into operation and further, until the expiration of twelve months after either of the high contracting parties shall give notice to the other of its wish to terminate the same, each of the high contracting parties being at liberty to give notice to the other at the end of said term of seven years, or at any time thereafter.

ARTICLE VI.

The present convention shall be duly ratified, and the ratifications exchanged at Washington City, within eighteen months from the date hereof, or earlier if possible.

In faith whereof the respective plenipotentiaries of the high contracting parties have signed this present convention and have affixed thereto their respective seals.

Done in duplicate, at Washington, the thirtieth day of January, in the year of our Lord one thousand eight-hundred and seventy-five.

[SEAL]

[SEAL]

[SEAL]

HAMILTON FISH.

ELISHA H. ALLEN.

HENRY A. P. CARTER.

and whereas the said convention, as amended, has been duly ratified on both parts, and the respective ratifications were exchanged in this city on this day:

Now, therefore, be it known that I, Ulysses S. Grant, President of the United States of America, have caused the said convention to be made public, to the end that the same, and every clause and article thereof may be observed and fulfilled with good faith by the United States and the citizens thereof.

In witness whereof I have hereunto set my hand, and caused the seal of the United States to be affixed.

Done at the City of Washington this third day of June, in the year of our Lord one thousand eight hundred and seventy-five, and of the Independence of the United States the ninety-ninth.¹

U. S. GRANT.

By the President,
HAMILTON FISH,
Secretary of State.

¹ S. E. D., No. 77, 52 C., 2 S., Vol. 8, pp. 160-162.

APPENDIX C.

"The simple recital of the facts as to our trade with the Hawaiian Islands before and since the date of the reciprocity treaty Sept. 9, 1879, will show its great inequality and the conspicuous injustice to our government and people of its longer continuance.

Prior to the treaty the average annual importations of Hawaiian sugars amounted to about fifteen million pounds, all of a very low grade, upon which the duties collected were only about \$500,000; and that was represented to be the full extent of the loss of revenue to which the United States would be subjected by the ratification of the treaty.

It appears that the soil and climate of the Hawaiian Islands are peculiarly adapted to the growth of the sugar cane, as well as to that of rice; and there was an increase of 50 per cent. in the importation of Hawaiian sugars the first year after the treaty went into operation.

In 1882 the amount imported rose to the astonishing amount of 106,181,858 pounds. Beyond this grade and value of these sugars, by the use of the vacuum pan and centrifugal machines in the process of manufacture, have been very largely changed; and now instead of the larger portion coming in as it previously came, not above No. 10 Dutch standard, nearly the whole of it comes in above No. 10 Dutch standard. . . .

Beyond all question the sugars lately received from the Hawaiian Islands have not been such as are commonly and commercially known prior to the date of the treaty in the markets of San Francisco and Portland as Sandwich Island sugars, and their admission is an open and indisputable fraud on the treaty. Whether the government can protect itself against this flagrant fraud, by excluding these higher grades of sugars from the benefit of the treaty, is very doubtful, as these same sugars, without diminishing their saccharine strength, may easily be so discolored as to reduce them below No. 10 Dutch standard, or to the class formerly known as Sandwich Islands sugars, and thus they would have at least a colorable title to pass free through the custom house.

"Whether the low grades of sugar from China and India, costing three cents or less a pound, may not be brought to the Hawaiian Islands and re-exported to the United States at a large profit, is a question that hardly admits of doubt. The fixed belief of importers and producers of sugar and rice is that this has been done already. The temptation is great, and the difficulty of detecting such frauds is not small.

Without taking any account of the increasing quantity of Hawaiian molasses brought here free of duty, the article of rice appears as one of their most rapidly increasing commodities, as will appear from the following table of the annual importations.

Rice imported from the Hawaiian Islands.

1877	3,034,405
1878	6,063,514
1879	5,553,676
1880	5,062,646
1881	6,984,406
1882	10,135,678

That our trade with the Hawaiian Islands is most unprofitable, will appear when we add up our entire domestic exports of merchandise and find that the whole for six years amounts to less than our actual remission of duties on sugar and rice, or to \$13,033,314 of exports, against a loss of duties remitted of \$13,717,436. . . . We have no colonial possessions, and do not and shall not require any for a surplus population so long as one-third of our acreage of lands remains uncultivated, and so long as the country is able annually to absorb and Americanize a million of foreign immigrants. Certainly there is no pressure requiring us to send to foreign lands any portion of our people with a heavy subsidy to be paid and borne by those who remain at home.

Signed,

JUSTIN S. MORRILL,
DAN'L W. VOORHEES,
NELSON W. ALDRICH.

APPENDIX D.

"ARTICLE I.

The High Contracting Parties agree that the time fixed for the duration of the said convention shall be definitely extended for a term of seven years from the date of the exchange of ratification hereof and further until the expiration of twelve months after either of the High Contracting Parties shall give notice to the other of its wish to terminate the same, each of the High Contracting Parties being at liberty to give such notice to the other at the end of the said term of seven years or at any time thereafter.

ARTICLE II.

His Majesty the King of the Hawaiian Islands grants to the Government of the United States the exclusive right to enter the harbor of Pearl River, in the Island of Oahu, and to establish and to maintain there a coaling and repair station for the use of vessels of the United States, and to that end the United States may improve the entrance to said harbor and do all other things needful to the purpose aforesaid.

ARTICLE III.

The present Convention shall be ratified and the ratification exchanged at Washington, as soon as possible.

In witness whereof, the respective Plenipotentiaries have signed the present Convention in duplicate and have hereunto affixed their respective seals.

Done at the City of Washington the 6th day of December in the year of our Lord 1884.

FREDERICK T. FREYLINGHUYSEN, [SEAL].

H. A. C. CARTER, [SEAL].

And whereas the said Convention, as amended, has been duly ratified on both parts, and the respective ratifications of the same have been exchanged.

Now, therefore, be it known that I, Grover Cleveland, President of the United States of America, have caused the

said Convention to be made public to the end that the same and every article and clause thereof, as amended may be observed and fulfilled with good faith by the United States and citizens thereof.

In testimony whereof I have hereunto set my hand and caused the seal of the United States to be affixed.

Done at the City of Washington this ninth day of November in (Seal) the year of our Lord one thousand eight hundred and eighty-seven and of the Independence of the United States the one hundred and twelfth.

GROVER CLEVELAND.

By the President,
T. F. BAYARD,
Secretary of State."

APPENDIX TABLE I.

STATEMENT¹ SHOWING THE VALUE OF A TON OF WHEAT AND ONE OF CORN,
AT GIVEN POINTS FROM MARKET, AS AFFECTED BY COST OF TRANS-
PORTATION BY RAILROAD, AND OVER THE ORDINARY ROAD.

Value at market		Transportation by railroad.		Transportation by ordinary highway.	
		Wheat.	Corn.	Wheat.	Corn.
10 miles from	"	\$49.50	\$24.75	\$49.50	\$24.75
20	" " "	49.55	24.60	48.00	23.25
20	" " "	49.20	24.45	46.50	21.75
30	" " "	49.05	24.30	45.00	20.25
40	" " "	48.90	24.15	43.50	18.75
50	" " "	48.75	24.00	40.00	17.25
60	" " "	48.60	23.85	40.50	15.75
70	" " "	48.45	23.70	39.00	14.25
80	" " "	48.30	23.55	37.50	12.75
90	" " "	48.15	23.40	36.00	11.25
100	" " "	48.00	23.25	34.50	9.75
110	" " "	47.85	23.10	33.00	8.25
120	" " "	47.70	22.95	31.50	6.75
130	" " "	47.55	22.80	30.50	5.25
140	" " "	47.40	22.65	28.50	3.75
150	" " "	47.25	22.50	27.00	2.25
160	" " "	47.10	22.35	25.50	.75
170	" " "	46.95	22.20	24.00	.00
200	" " "	46.50	21.75	19.50	....
220	" " "	46.20	21.45	16.50	....
240	" " "	45.90	21.15	13.50	....
260	" " "	45.60	20.85	10.50	....
280	" " "	45.30	20.55	7.50	....
300	" " "	45.00	20.25	4.50	....
320	" " "	44.70	19.95	1.50	....
330	" " "	44.55	19.80	.00	....

The homogeneousness in the pursuits of the great mass of our people, and the wide space that separates the producing and consuming classes, as they are popularly termed, necessarily implies the *exportation* of the *surplus* of *each*. The western farmer has no home demand for the wheat he raises, as the surplus of the district in which he resides has to be exported to find a consumer; and the producer for a similar reason is obliged to *import* all the various articles that enter into consumption which his own industry does not immediately

¹ Sen. Doc. No. 112, p. 380-1; 1851-2, 32 Cong., 1 Sess.

supply ; and farther, as the markets for our agricultural products lie either upon the extreme verge of the country, or in Europe, the greater part of our domestic commerce involves a *through* movement of nearly all the articles of which it is composed.

It is well known that upon the ordinary highways, the economical limit to transportation is confined within a comparatively few miles, depending of course upon the kind of freight and character of the roads. Upon the average of such ways the cost of transportation is not far from 15 cents per ton per mile, which may be considered as a sufficiently correct estimate for the whole country. Estimating at the same time the value of wheat at \$1.50 per bushel, the corn at 75 cents, and that 33 bushels are equal to a ton, the value of the former would be equal to its cost of transportation for 330 miles, and the latter 165 miles. At these respective distances from market, neither of the above articles would have any commercial value with only a common *earth* road as an avenue to market.

But we find that we can move property upon railroads at the rate of 15 cents per ton per mile, or for one-tenth the cost upon the ordinary road. These works, therefore, extend the economic limit of the cost of transportation of the above articles to 3,300 and 1,650 miles respectively, At the limit of the economical movement of these articles upon the common highways, by use of the railroads wheat would be worth \$44.50 and corn \$22.20 per ton, which sums respectively would represent the actual increase of value by the interposition of such a work.

APPENDIX TABLE II.

TABLE¹ SHOWING TRADE BETWEEN UNITED STATES AND THE BRITISH NORTH AMERICAN PROVINCES.

	<i>Exports.</i>		<i>Imports.</i>		<i>Total Exports.</i>		<i>Total Imports.</i>	
	To Canada.	To the other Provinces.	From Canada.	From the other Provinces.	To Canada and the other Provinces.	From Canada and the other Provinces.		
1850	\$ 5,390,821	\$ 3,618,214	\$ 4,285,470	\$ 1,358,999	\$ 9,549,035	\$ 5,644,462		
1851	7,929,140	4,085,783	4,956,471	1,736,650	12,014,923	6,693,122		
1852	6,717,060	3,791,956	4,589,969	1,520,330	10,509,016	6,110,299		
1853	7,829,099	5,311,543	5,278,116	2,672,602	13,140,642	7,550,718		
1854	17,300,706	7,266,154	6,721,539	2,206,021	24,556,860	8,927,560		
1855	18,720,344	9,085,676	12,182,314	2,954,420	27,806,020	15,136,734		
1856	20,883,241	8,146,108	17,488,197	3,822,224	29,029,349	21,310,421		
1857	16,574,895	7,637,587	18,291,834	3,832,462	24,262,482	22,124,296		
1858	17,029,254	6,622,473	11,581,571	4,224,948	23,651,727	15,806,519		
1859	18,940,792	9,213,832	14,208,717	5,518,834	28,154,174	19,727,551		
1860	14,083,114	8,623,214	18,861,673	4,989,708	22,706,328	23,851,381		
1861	14,361,858	8,383,755	18,645,457	4,417,476	22,745,613	23,062,933		
1862	12,842,504	8,236,611	15,253,152	4,046,843	21,079,115	19,299,995		
1863	19,898,718	11,382,312	18,816,999	5,207,424	31,281,030	24,025,423		
Totals	\$19,401,546	\$101,405,218	\$171,161,479	\$48,608,941	\$300,466,314	\$219,281,114		

¹ U. S. Foreign and Domestic Commerce, p. 83-4-5.

APPENDIX TABLE III.

Fish Exported from U. S. to Br. N. A. Prov.

	Dried.	Pickled.	Total Exports.
1854			
1855	\$12,373	\$11,947	\$396,611 Dried.
1856	29,261	18,310	283,049 Pickled.
1857	13,276	34,980	
1858	30,657	23,903	
1859	47,763	11,094	
1860	36,210	7,650	
1861	50,327	20,664	
1862	35,747	12,615	
1863	57,655	18,386	
1864	38,223	20,776	
1865	21,947	64,110	
1866	23,172	38,614	
	<hr/> \$396,611	<hr/> \$283,049	<hr/> \$679,660

Fish Imported from Br. N. A. Prov. to U. S.

	Dried.	Pickled.	Total Imports.
1855	(6 mo.) \$ 6,211	(6 mo.) \$ 5,582	\$ 4,085,903 Dried.
1856	528,788	1,336,268	11,995,726 Pickled.
1857	470,416	1,162,933	
1858	341,855	1,172,916	
1859	422,505	1,328,969	
1860	313,491	1,389,852	
1861	415,201	945,603	
1862	684,358	137,337	
1863	144,305	493,631	
1864	234,126	837,611	
1865	197,932	1,600,826	
1866	326,715	1,584,198	
	<hr/> \$4,085,903	<hr/> \$11,995,726	<hr/> \$16,081,629

Compiled from Ex. Doc. 53d Cong., 2d Sess., No. 106, p. 42.

APPENDIX TABLE III.—*Continued.*Canadian (*Br. N. A. Prov.*) Exports.

	Meats, all kinds.	Butter and Cheese.	Wheat.	Flour.
1855	\$ 8,000	\$ 28,000	\$2,000,000	\$2,000,000
1856	53,000	215,000	6,000,000	4,000,000
1857	80,000	344,000	5,000,000	4,000,000
1858	36,000	279,000	2,000,000	2,000,000
1859	227,000	375,000	1,000,000	2,000,000
1860	392,000	511,000	1,500,000	3,000,000
1861	400,000	398,000	4,500,000	3,000,000
1862	128,000	444,000	3,000,000	2,000,000
1863	137,000	328,000	1,000,000	2,000,000
1864	397,000	495,000	2,000,000	2,000,000
1865	850,000	699,000	1,000,000	2,000,000
Total	\$2,708,000	\$4,116,000	\$29,000,000	\$28,000,000

American Exports.

	Pork only.			
1855	\$1,016,000	\$ 84,000	\$ 500,000	\$2,000,000
1856	1,421,000	180,000	1,200,000	4,000,000
1857	1,121,000	168,000	2,000,000	3,000,000
1858	949,000	182,000	2,000,000	4,000,000
1859	1,210,000	280,000	1,000,000	4,000,000
1860	1,002,000	249,000	1,000,000	4,000,000
1861	630,000	208,000	3,000,000	3,000,000
1862	1,044,000	323,000	3,000,000	3,500,000
1863	1,246,000	589,000	6,000,000	5,500,000
1864	2,476,000	499,000	5,000,000	5,500,000
1865	2,152,000	389,000	6,000,000	6,500,000
1866	.....	.....	2,000,000	.....
Total	\$14,267,000	\$3,151,000	\$33,000,000	\$45,000,000

Compiled from Sen. Ex. Docs. 53 Cong., 2d Sess., No. 106, Vol. 4.

Exports of Canadian.
(*Br. N. Am. Prov.*)

Corn.

Barley.

			Exports of American. Corn.	Barley.
1855			\$ 862,000	No returns.
1856	No returns,		1,193,000	.....
1857		58	772,000	.....
1858	little	290	384,000	.....
1859			532,000	.....
1860	corn	11,000	608,000	.....
1861			851,000	.....
1862	grown in	1,095,000	1,075,000	.....
1863		1,524,000	1,854,000	.....
1864	Canada.	2,917,000	1,030,000	.....
1865		4,093,000	1,619,000	.....
		\$9,640,348	\$10,680,000	.....

Compiled from Sen. Ex. Docs., 53 Cong., 2d Sess., No. 106, Vol. 4.

APPENDIX TABLE III.—*Continued.*

TABLE SHOWING THE VALUES OF CANADIAN GOODS EXPORTED TO THE UNITED STATES AND AMERICAN GOODS EXPORTED TO CANADA.

American Imports.				
	Coal.	Timber and Lumber.	Wood.	Tobacco.
1855	\$ 363,000	\$ 571,000	\$ 51,000	\$1,000
1856	396,000	2,832,000	374,000	2,000
1857	387,000	2,585,000	309,000	3,000
1858	372,000	2,931,000	248,000	900
1859	497,000	2,937,000	524,000	1,000
1860	702,000	3,416,000	340,000	400
1861	614,000	3,288,000	260,000	100
1862	757,000	2,526,000	569,000	2,000
1863	883,000	3,018,000	781,000	400
1864	1,210,000	4,511,000	1,378,000	2,000
1865	877,000	5,003,000	1,527,000	4,000
			1,206,000	900
	<hr/> \$7,058,000	<hr/> \$33,618,000	<hr/> \$7,567,000	<hr/> \$17,700

Canadian (<i>Br. N. A. Prov.</i>) Imports.				
1855	\$352,000	\$39,000	\$ 7,000	\$ 492,000
1856	429,000	49,000	20,000	567,000
1857	395,000	67,000	15,000	513,000
1858	318,000	28,000	61,000	910,000
1859	250,000	9,000	224,000	1,613,000
1860	257,000	18,000	369,000	1,116,000
1861	271,000	2,000	66,000	882,000
1862	398,000	3,000	139,000	394,000
1863	431,000	100	88,000	575,000
1864	555,000	18,000	33,000	540,000
1865	815,000	18,000	109,000	267,000
	<hr/> \$4,471,000	<hr/> \$251,100	<hr/> \$1,131,000	<hr/> \$7,869,000

Compiled from Sen. Ex. Docs. 53 Cong., 2d Sess., No. 106, Vol. 4.

APPENDIX TABLE IV.¹

Jan.	Wool.	Tobacco.	Fish Salt Mackerel.	Wheat.
1850	\$0.83¼ per lb.		\$10.12 per bbl.	\$0.95 per bu.
1851	.85½ "		10.00 "	1.05 "
1852	.81¾ "		9.00 "	1.00 "
1853	1.07 "	\$ 7.00 per cwt	11.50 "	1.32 "
1854	.91¼ "	7.00 "	15.00 "	1.87½ per bu.
1855	.85¾ "	7.50 "	19.00 "	2.30 "
1856	1.04¾ "	15.12½ "	13.00 "	1.77 "
1857	1.02 "	14.75 "	15.00 "	1.70 "
1858	.82½ "	15.00 "	15.50 "	1.10 "
1859	1.09¼ "	11.00 "	14.50 "	1.20 "
1860		11.00 "	16.00 "	1.30 "
1865	1.66 "	32.50 "	22.00 "	2.28 "

Wholesale prices in New York.

Jan.	Barley.	Corn.
1850	\$ 0.65 per bu.	\$ 0.62 per bu.
1851	.85 "	.65½ "
1852	.79 "	.66 "
1853	.71 "	.73 "
1854	.80 "	.79 "
1855	1.30 "	1.00 "
1856	1.20 "	.92 "
1857	1.23 "	.68 "
1858	.72 "	.58 "
1859	.69 "	.78 "
1860	.77 "	.89 "
1865	2.05 "	1.86 "

Page 8, Table X. Aldrich.

Jan.	Tar.	Turpentine.
1850	\$1.62½ per bbl.	\$ 0.36 per gal.
1851	1.68¾ "	.42 "
1852	1.75 "	.34½ "
1853	2.00 "	.62 "
1854	3.00 "	.62 "
1855	3.00 "	.43 "
1856	2.50 "	.37½ "
1857	1.75 "	.48 "
1858	1.37½ "	.38 "
1859	2.25 "	.49 "
1860	2.44 "	.44 "
1865	6.00 " (imported)	2.05 "

¹ Aldrich, *Prices, Wages and Transportation*, Rept. 1394, 52 C., 2 S., Vol 4.

Appendix.

APPENDIX TABLE IV.—Continued.

	<i>Pine boards.</i>	<i>Pine logs.</i>	<i>Hemlock logs.</i>
1850	\$31.25 per M.		
1851	31.25		
1852	31.25		
1853	33.25		
1854	35.25		
1855	34.25		
1856	37.25		
1857	40.25		
1858	41.25	\$ 8.00	\$ 6.00
1859	33.25	8.00	6.00
1860	33.25	8.00	6.00
1865	61.25	16.00	12.00

	<i>Pork.</i>	<i>Coal.</i>	
Jan.		Anthracite.	Bituminous.
1850	\$11.87½ per bbl.	\$3.65	
1851	12.75 “	3.65	
1852	15.37½ “	3.25	
1853	19.25 “	3.85	
1854	13.75 “	4.00	
1855	12.75 “	4.85	
1856	17.00 “	5.30	
1857	20.37½ “	4.60	\$ 6.00
1858	14.75 “	4.45	6.00
1859	17.50 “	3.90	4.50
1860	16.50 “	3.80	5.00
1865	35.00	9.50	12.81

APPENDIX TABLE IVa.

TABLE SHOWING CLEARANCES AND ENTRANCES AT THE LAKE PORTS FOR
EUROPEAN PORTS VIA THE ST. LAWRENCE RIVER.

	No. Vessels.	Clearances.	Tons.	No. Vessels.	Entrances.	Tons.
1855-56						
1856-57	1	Chicago to England	379			
1857-58	1	Chicago to England	123	1	England to Chicago	123
1857-58	9	Cleveland to England	3244	1	England to Cleveland	382
1857-58	3	Detroit to England	987	1	England to Detroit	382
1858-59	16	Chicago, Detroit, and Cleveland to England	5761	7	England to same ports	2401
1858-59	2	Same ports to Hamburg	633			
1858-59	1	" ports to Spain	343			
1859-60	5	" to England and Scotland	1436	10	From England	3575
1860-61	5	" " and Ireland	1791	8	" "	2836
1860-61	5	" to England		3	" "	1168
1862-63	1	" to "	994	1	" "	394

Foreign and Domestic Commerce, 1864, p. 100.

APPENDIX TABLE V.

STATEMENT¹ SHOWING THE NUMBER, NATIONAL CHARACTER, AND TONNAGE
OF VESSELS ON AND THROUGH THE WELLAND, ST. LAWRENCE,
CHAMBLEY, BURLINGTON BAY, ST. ANN'S LOCK, OTTAWA,
AND RIDEAU CANALS, DURING THE YEARS 1854-1864.

	Vessels and Steamers.	<i>Up.</i>		<i>Down.</i>		Amount of Tolls on Vessels.		
		<i>No.</i>	<i>Tons.</i>	<i>No.</i>	<i>Tons.</i>	£.	s.	d.
1854	British	9,076	805,838	7,602	963,385	4,665	9	0
	Foreign	3,098	485,144	3,443	512,763	5,288	6	10
	Total	12,174	1,290,982	11,045	1,476,148	9,953	15	10
1855	British	9,401	1,000,127	8,046	765,084	4,902	9	8
	Foreign	1,742	299,820	1,720	293,019	3,481	18	1
	Total	11,143	1,299,947	9,766	1,058,067	8,384	7	9
1856	Canadian	8,990	1,096,670	8,262	753,648	4,967	17	6
	Foreign	2,111	440,671	2,085	382,097	4,447	10	7
	Total	11,101	1,537,341	10,347	1,135,745	9,415	8	1
1857	Canadian	8,401	822,737	7,465	690,233	4,853	15	6
	American	2,129	394,400	2,288	408,524	4,243	6	4
	Total	10,530	1,217,137	9,753	1,098,757	9,097	1	10
1858	Canadian	8,384	776,949	7,930	759,926	\$18,757.13		
	American	2,201	442,062	2,121	423,203	19,481.78		
	Total	10,585	1,219,011	10,051	1,183,129	38,278.91		
1859	Canadian	11,637	929,003	11,123	899,360	\$19,668.48		
	American	1,786	298,095	1,871	328,543	13,071.75		
	Total	13,423	1,227,098	12,993	1,227,923	32,740.23		
1860	Canadian	12,483	1,028,333	11,929	1,037,547	\$25,681.10		
	American	2,470	472,474	2,620	492,376	24,147.20		
	Total	14,953	1,500,807	14,549	1,529,923	46,826.30		
1861	Canadian	12,196	1,116,424	13,394	1,219,257	\$28,716.71		
	American	2,313	486,573	2,368	485,657	20,986.73		
	Total	14,509	1,602,997	15,762	1,704,914	49,703.44		
1862	Total		1,807,367		1,775,029			
1863	Canadian	15,623	1,354,007	15,190	1,316,170	\$27,365.21		
	American	2,405	452,270	2,393	451,466	20,157.81		
	Total	18,028	1,806,277	17,583	1,767,636	47,523.02		
1864	Canadian	15,790	1,394,354	15,266	1,373,327	\$27,730.87		
	American	2,071	326,294	2,059	326,860	13,680.64		
	Total	17,861	1,720,648	17,325	1,700,187	41,411.51		
1854-64 (exc. 1862)								
	Total Canadian and British	112,031	10,324,442	106,206	9,777,901			
	Total American and Foreign	22,326	4,097,803	22,968	4,104,528			
	Grand Total	137,357	14,422,245	129,174	13,882,429			

¹ Compiled from Canadian Sessional Papers for years given.

APPENDIX TABLE VI.

TABLE¹ SHOWING QUANTITIES OF WHEAT EXPORTED TO CANADA AND
RETURNED TO THE UNITED STATES.1. *Exports to Canada.*

From	Wheat bushels.	Wheat- flour barrels.	Wheat bushels.	Wheat- flour barrels.
Lake ports in Ohio	349,372	992	1,428,511	895
Detroit	408,428	19,671	345,075	39,059
Chicago	1,987,276	26,525	1,519,396	78,749
Milwaukee	1,567,657	30,359	2,880,791	40,069
	4,312,733	77,547	6,173,773	158,772

Value of wheat and flour.

To Canada

1862.

\$3,914,203

1863.

\$7,138,564

From Canada

6,808,684

3,180,698

2. *Imports from Canada.*

	1862.	Wheat flour barrels.	1863.	Wheat flour barrels.
At Vermont	659,884	152,895	27,639	112,557
Champlain	41,524	14,222	17,877	11,585
Cape Vincent	226,512	21,778	135,628	15,993
Ogdensburg	83,100	79,200	75,521	46,718
Oswego	1,257,364	76,583	360,405	47,303
Genesee	42,425	532	54,104	52
Niagara	39,617	140,800	20,652	81,822
Buffalo	761,840	82,500	267,328	93,323
	3,112,266	568,510	958,254	393,360

¹ Foreign and Domestic Commerce, 1864, pp. 80 and 81.

APPENDIX TABLE VII.

MOVEMENT OF AMERICAN BREADSTUFFS.¹

	Down the St. Lawrence.	Through the Erie Canal.	Total to tide-water.
1856	\$1,209,612	\$15,342,833	\$16,553,445
1857	1,930,280	10,601,532	12,531,812
1858	1,876,933	13,757,282	15,634,216
1859	1,988,759	10,371,766	12,360,725
1860	1,846,462	23,912,000	25,758,462
1861	3,103,153	34,427,800	37,530,953
1862	5,320,054	39,240,131	44,560,185

¹ Foreign and Domestic Commerce, 1864, p. 101.

APPENDIX TABLE VIII.

SUMMARY¹ AT PORTS EASTWARD OF AND INCLUDING BUFFALO.

	Domestic Exports.	Foreign Exports.	Total Exports.	Imports.
1856	\$11,435,919	\$3,845,132	\$15,281,051	\$16,074,457
1857	8,451,227	2,611,074	11,062,301	16,652,371
1858	5,873,912	2,897,044	8,770,956	10,390,937
1859	7,560,629	4,637,332	12,197,961	12,782,924
1860	5,687,095	2,506,412	8,193,507	17,538,793
1861	6,428,534	2,295,606	8,724,140	17,785,093
1862	4,912,616	1,733,336	6,645,952	14,505,374
1863	4,418,761	1,289,945	9,088,681	17,649,697

SUMMARY AT PORTS WESTWARD OF BUFFALO.

1856	\$ 3,619,476	.....	\$ 3,619,476	\$1,653,619
1857	4,577,628	\$15,691	4,593,319	1,622,584
1858	7,813,109	20,676	7,824,785	1,203,507
1859	5,886,229	.....	5,886,229	1,460,508
1860	5,494,096	.....	5,494,096	1,306,880
1861	5,359,141	.....	5,359,141	890,600
1862	6,365,532	125,803	6,491,335	767,687
1863	10,565,285	80,298	10,645,583	1,167,302

¹ Foreign and Domestic Commerce, 1864, p. 113.

APPENDIX TABLE IX.

TABLE¹ SHOWING TOTAL VALUES OF GOODS IMPORTED INTO CANADA.

Calendar year.	From Great Britain.	From United States.	From Br. N. Am. Colonies	From West Indies.	From Other Countries.	Total Imports.
1853	\$22,186,944	\$14,138,572	\$ 759,187	\$ 4,171	\$1,288,833	\$38,377,707
1854	27,555,993	18,639,715	810,134	3,206	1,626,129	48,635,188
1855	15,964,152	24,994,411	1,039,180	16,958	1,288,689	43,303,401
1856	21,855,518	27,245,409	1,239,110	21,134	1,940,078	52,301,260
1857	21,070,828	24,269,577	902,265	32,184	1,041,849	46,316,715
1858	12,287,053	15,635,565	423,826	.....	732,083	29,078,527
1859	14,786,084	17,592,916	381,755	533	793,873	33,555,161
1860	15,859,980	17,273,029	393,864	15,802	905,260	34,447,935
1861	20,386,937	21,069,388	499,177	371	1,008,963	43,054,836
1862	21,179,312	25,173,157	535,469	38,851	1,673,844	48,600,633
1863	20,177,572	23,109,362	510,713	132,195	2,034,651	45,964,493
1864	23,884,696	22,555,519	523,295	294,766	2,495,193	49,753,467
1865	21,035,871	19,589,055	511,570	209,329	3,274,641	44,620,469
1866	28,994,530	20,424,692	857,922	105,660	3,419,515	.....
1867	34,260,509	20,272,997	1,103,373	137,802	3,269,396	59,048,987

¹ From annual reports in Canadian Sessional Papers for the separate years.

APPENDIX TABLE X.

The table below will show the rate of increase upon some of the principal articles from 1855 to 1859.

Articles.	1855. per cent.	1856.	1857.	1858.	1859.
Molasses	16	11	11	18	30
Sugar (refined)	32	28	25	26½	40
Sugar (other)	27½	20	17½	21	30
Boots and shoes	12½	14½	20	21	25
Harness	12½	17	20	21	25
Cotton goods	12½	13½	15	15	20
Iron goods	12½	18½	15	16	20
Silk goods	12½	13½	15	17	20
Wool goods	12½	14	15	18	20 ¹

¹ Repts. of Comm. 2 Sess. 37 Cong., Vol. 3, p. 19.

Debates on Confederation, 3d Sess. 8th Prov. Parl. Canada, p. 751.

TABLE¹ SHOWING EXPORT OF NATURAL PRODUCTS FROM CANADA TO GREAT BRITAIN AND TO THE UNITED STATES.
APPENDIX TABLE XI.

Products of	To Great Britain	To United States <i>Mine.</i>	Total Canadian Export	To Great Britain	To United States <i>Sea.</i>	Total Canadian Export
1849	.....	.....	.....	\$ 58	\$ 26,217	.....
1850	\$ 17,496	\$ 26,400	.....	6,945	37,128	.....
1853	7,855	539	\$ 8,394	5,415	12,572	\$ 74,462
1854	8,440	.....	.....	8,801	.....	.....
1855	4,427	69,540	74,730	11,375	21,368	87,427
1856	19,212	12,231	31,458	15,019	37,137	114,080
1857	5,795	34,326	41,411	7,866	35,238	114,086
1858	16,644	54,972	71,617	12,541	38,604	135,028
1859	112,040	202,783	314,823	119,075	158,485	718,296
1860	240,601	227,911	468,512	83,549	201,583	817,423
1861	239,639	318,537	558,306	97,186	185,873	832,046
1862	240,495	213,126	454,963	127,760	114,835	663,700
1863	383,745	50,514	702,906	88,103	3,443,889	3,703,896
1864	558,362	312,950	871,549	79,475	112,193	789,913
1865	336,396	168,649	574,664	94,997	89,257	765,816
1867	301,105	233,327	541,234	113,936	115,767	784,636
		<i>Forest.</i>		<i>Animals, and their products.</i>		
1849	\$4,848,000	\$1,508,510	.....	\$43,228	\$414,672	.....
1850	4,062,500	308,560	.....	86,880	588,782	.....
1853	1,174,037	460,049	\$1,644,584	10,021	241,549	\$295,929
1854	1,682,125	.....	.....	.....	.....	.....
1855	1,943,955	534,262	2,495,341	8,741	161,115	208,318
1856	1,216,260	755,101	1,986,980	3,127	371,681	398,796
1857	1,672,789	816,409	2,504,970	9,877	593,470	641,014
1858	2,044,178	864,248	2,932,596	6,933	493,688	526,809

¹ From Canadian Sessional papers for years given.

APPENDIX TABLE XI.—Continued.

Products of	To Great Britain	To United States <i>Forest.</i>	Total Canadian Export	To Great Britain	To <i>Animals, and their products.</i>	Total Canadian Export
1859	\$6,080,060	\$3,318,174	\$ 9,447,727	\$ 132,470	\$2,232,368	\$2,462,765
1860	6,088,068	3,524,850	9,663,962	285,937	3,391,772	3,789,502
1861	6,918,935	4,019,278	11,012,253	542,583	3,557,912	4,221,257
1862	7,109,974	2,153,189	9,572,645	704,681	2,786,511	3,681,468
1863	5,940,911	2,686,499	9,482,897	1,113,596	8,083,632	.....
1864	8,770,348	4,307,103	13,543,926	1,222,471	4,151,343	5,502,633
1865	8,996,355	5,008,746	14,283,207	1,254,898	7,053,079	8,486,382
1867	6,889,783	6,831,252	13,948,648	2,125,271	3,636,191	6,118,639
		<i>Agriculture.</i>		Entire Export to Great Britain.	Entire Export to United States.	Entire Canadian Export.
1849	\$1,567,392	\$ 1,863,475	.....	\$ 6,448,678	\$ 3,812,874	.....
1850	1,056,000	3,263,448	.....	5,829,821	4,224,318	.....
1853	223,856	820,273	\$ 1,181,363	6,821,731	7,367,913	\$15,385,113
1854	.....	.....	.....	10,760,184	9,535,064	23,193,297
1855	197,454	1,332,575	1,840,762	10,854,374	10,103,472	23,305,481
1856	110,645	2,950,875	3,257,599	6,548,462	19,809,720	27,791,582
1857	590,191	2,965,938	3,743,068	10,975,286	21,338,308	33,813,835
1858	315,678	1,776,249	2,220,706	12,460,675	15,493,156	28,156,428
1859	1,627,885	5,744,959	7,904,400	8,080,530	11,656,769	20,848,011
1860	642,434	6,278,351	7,339,798	7,340,589	13,624,467	22,079,197
1861	3,918,470	10,013,799	14,257,225	11,716,863	18,095,399	30,883,687
1862	8,918,525	8,704,136	18,244,631	17,281,435	13,971,795	32,617,407
1863	6,475,257	8,270,825	15,041,002	14,001,612	14,535,359	32,854,291
1864	4,273,402	8,600,410	13,472,134	14,904,058	17,573,999	34,180,155
1865	1,525,081	8,246,987	10,451,509	12,257,727	20,566,718	34,561,578
1867	2,770,293	11,185,227	16,765,981	12,200,388	22,051,764	38,158,138

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